



REPORT OF THE COMMITTEE ON PENSIONS FOR UNMARRIED WOMEN

*Presented to Parliament by the Financial Secretary to the Treasury
by Command of His Majesty
April, 1939*

LONDON

PRINTED AND PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE

To be purchased directly from H.M. STATIONERY OFFICE at the following addresses:

York House, Kingsway, London, W.C.2; 120 George Street, Edinburgh 2;

25 York Street, Manchester 1; 1 St. Andrew's Crescent, Cardiff;

80 Chichester Street, Belfast;

or through any bookseller

1939

Price 11. 3d. net

Cmd. 5991

CONTENTS

	<i>Page</i>
TERMS OF REFERENCE AND MEMBERSHIP	iv
PART I.—INTRODUCTION	1
Legislation	2
Contributions	5
Exchequer Contribution	7
Dependants	8
Maintenance of Insurance	9
Statistics	10
PART II.—COMPLAINTS AS TO THE POSITION OF UNMARRIED WOMEN UNDER THE CONTRIBUTORY PENSIONS ACTS.	
Preliminary remarks	12
Comparison of current contributions made, and current benefits received, by spinsters	12
Comparison of number of spinsters receiving pensions with number approaching the pension age	14
The contention that spinsters are made to pay too high a contribution for their Pension rights	15
Complaint connected with Health Insurance contribu- tions	21
The claim that the grant of pensions to widows at age 55 under the Act of 1929, or at the average age of about 55, justifies the claim of spinsters to pensions at the same age	22
The alleged inadequacy of the provisions of the Acts to maintain the insurance rights of elderly spinsters	25
Loss of Pension rights through leaving insurable employment in order to assist relatives	30
Difficulty of retaining or regaining employment after middle age—Falling out of insurance	32
Condition of health of spinsters over age 55	36
The extent to which elderly spinsters have recourse to Public Assistance	38
The absence of any benefits in the case of the death of a spinster before age 65	40
The claim that spinsters, like other classes of insured persons, in many cases have dependants	41
The allegation that there is an unusually large number of spinsters at the present time on account of the casualties in the Great War of 1914 to 1918, and that such " War spinsters " are entitled to pensions equally with War widows	45
The competition of the pensioned widow in industry	47

PART III.—COST AND CONSEQUENCES OF LOWERING THE PENSION AGE.

The cost of the reduction of the pension age, and the additional contributions required to provide the pensions	48
Could a reduction in the pension age be limited to spinsters, or would it have to be extended to other classes of women?	50
The risks of "undercutting" and general lowering of wages amongst women and the risk of loss of employment by pensioned spinsters or of a reduction in their wages if the pension age of spinsters were lowered ...	52
Should sickness and disablement benefits and Unemployment Benefit and Allowances for spinsters cease at the age at which their pensions begin?	54
Other suggestions	58

PART IV.—UNINSURED SPINSTERS

Introduction	59
Exclusion of women over age 55 from the provisions of the Act of 1937	61
The limits of income for women entrants under the Act of 1937	61

APPENDICES.

A. The Spinsters' Charter	65
B. Extract from Report by the Government Actuary on Pensions for Unmarried Women and Matters incidental thereto	68
C. Correspondence with the Government Actuary regarding alternative methods of allocation of the Exchequer subsidy in respect of Contributory Pensions (under age 70)	76

TERMS OF REFERENCE.

" To examine and report on the complaints which are made as to the position of unmarried women under the Contributory Pensions Acts, and on the practical questions which would arise if the age at which Old Age Pensions under those Acts are payable to unmarried women were lowered."

MEMBERSHIP OF COMMITTEE.

C. T. Le QUESNE, Esq., K.C. (*Chairman*).

Sir JOHN JEFFREY, K.C.B., C.B.E.

GEOFFREY PETO, Esq., C.B.E.

*ARTHUR SHAW, Esq., C.B.E., J.P.

MISS ETHEL STRUDWICK, O.B.E., M.A.

DAME GWENDOLINE TRUBSHAW, D.B.E., J.P.

W. S. HOCKING, Esq., M.B.E., F.I.A. (*Secretary*).

S. GILBERT, Esq. (*Assistant Secretary*).

* Died before the Report was signed (see p. 64).

The cost of the Committee's enquiry is estimated to be £2,401 16s. 4d. of which £96 10s. 0d. represents the estimated gross cost of the printing and publication of this Report.

REPORT OF COMMITTEE.

To: The Right Honourable Sir JOHN SIMON, G.C.S.I.,
G.C.V.O., O.B.E., K.C., M.P., Chancellor of the
Exchequer.

SIR,

We have the honour to submit the following Report.

PART I.

INTRODUCTION.

1. We were appointed by a Treasury Minute dated 13th April, 1938, "to examine and report on the complaints which are made as to the position of unmarried women under the Contributory Pensions Acts, and on the practical questions which would arise if the age at which Old Age Pensions under those Acts are payable to unmarried women were lowered". We sat in public to receive evidence on 16th, 17th, 29th and 30th June, and 9th and 10th November, 1938. We heard evidence from various organizations, some of which favoured and some of which opposed the proposal to grant pensions to spinsters before 65, from various individuals and also from Government Departments, viz., the Treasury, the Government Actuary's Department, the Ministry of Health, the Department of Health for Scotland,* the Ministry of Labour and the Unemployment Assistance Board. We also received written evidence from other organizations and individuals. The various witnesses, in accordance with our request, submitted to us in advance a written memorandum or summary of the oral evidence which they proposed to give. The Treasury prepared for us a memorandum† explanatory of the existing National Pensions scheme and describing also the history of the scheme from its beginning in 1925. Before the first public hearing we submitted a copy of this memorandum to the National Spinsters' Pensions Association,‡ an organization which exists for the purpose of obtaining contributory pensions for spinsters at 55 years of age, and also to other organizations who notified to us their desire to tender evidence. After the hearing of 30th June, 1938, we drew up a list of questions on points on which we desired the help of the Government Departments and in due course we received from those Departments memoranda of the evidence which they proposed to give on those and on other relevant matters. We gave

* The written evidence prepared jointly by the Ministry of Health and the Department of Health for Scotland is, for the sake of convenience, described hereafter as the Ministry of Health memorandum.

† For the sake of brevity, this Association is hereafter described as the N.S.P.A.

‡ Minutes of Evidence, First Day, pp. 2-5, Paper I.

to the N.S.P.A. and also to the other organizations who had appeared before us an opportunity of sending to us any observations upon those memoranda which they might desire to submit. The oral evidence, and also other evidence, submitted to us has been printed in the Minutes of Evidence. An Appendix to those Minutes has also been printed, containing further documents which were laid before us.

2. The leading part in the advocating of the claim for a reduction of the pension age for spinsters has been taken by the N.S.P.A. This Association, which gave evidence before us, was formed in 1935 and in their leaflet entitled "The Spinsters' Charter"* they state their "Aims in Brief" as follows, viz., (1) To obtain pensions for spinsters who contribute to National Health Insurance at 55 years of age, (2) to obtain a contributory pensions scheme for spinsters who do not, at present, come under the National Health Insurance scheme". We were informed that the membership of the N.S.P.A. in June, 1938, was 125,000, and that the Edinburgh and the Glasgow and West of Scotland branches of the corresponding Association in Scotland, known as the Women's Pension League, have a membership of about 2,300 and 15,000 respectively. These figures include a certain number of men, married women and widows, who are members. In July, 1937, the N.S.P.A. in the space of four weeks obtained about a million signatures to a petition, which was presented to Parliament on 27th July, 1937. The petition was in the following terms, viz., "That serious hardship and injustice is caused by the fact that the contributory old age pension is not payable in the case of unmarried insured women until they attain the age of 65, at which age only a small proportion of spinsters remain in insurance".

3. The various arguments which were submitted to us against the grant of pensions to spinsters at 55 will be found set out at large in the Minutes of Evidence, and we have dealt with them as seemed necessary to us in our Report.

Legislation.

4. We shall now refer briefly to the main effect of the principal provisions of the Acts which bear upon our Enquiry. In order to make a complete and accurate description of the operation of the Acts, this summary would have to be considerably supplemented and many qualifications of the general propositions in it would have to be introduced. But it will perhaps suffice as a statement in outline of the provisions with which we, in this Enquiry, are most concerned. A fuller statement about the statutes relating to Contributory Pensions will be found in the above-mentioned Treasury memorandum.

* Reproduced as Appendix A to this Report.

5. The pension which begins at age 70 was introduced by the Old Age Pensions Act of 1908, and the statutory provisions relating to it have been consolidated in the Old Age Pensions Act, 1936. We have been less concerned in our Enquiry with this pension than with the pension from 65 to 70. Pensions over age 70 under the Old Age Pensions Act of 1936 are, except for cases covered by the provisions described in para. 10 below, subject to restrictions as to means, residence and nationality.

6. The Acts of Parliament relating to Contributory Pensions, both those now repealed and those still in force, are as follows, viz., the Widows', Orphans' and Old Age Contributory Pensions Act, 1925 (15 & 16 Geo. 5, ch. 70); the Widows', Orphans' and Old Age Contributory Pensions Act, 1929 (20 Geo. 5, ch. 10); the Widows', Orphans' and Old Age Contributory Pensions Act, 1931 (21 & 22 Geo. 5, ch. 19); the National Health Insurance and Contributory Pensions Act, 1932 (22 & 23 Geo. 5, ch. 52); the National Health Insurance and Contributory Pensions Act, 1935 (25 & 26 Geo. 5, ch. 44); the Widows', Orphans' and Old Age Contributory Pensions Act, 1936 (26 Geo. 5 & 1 Edw. 8, ch. 33), which is a consolidating statute; and the Widows', Orphans' and Old Age Contributory Pensions (Voluntary Contributors) Act, 1937 (1 Edw. 8 & 1 Geo. 6, ch. 39). We shall refer to them as the Act of 1925, or of 1929, or of 1931, and so on. The Acts of 1925, 1929, 1931, 1932 and 1935 have been repealed. The Acts of 1936 and 1937 are now in force. All the above Acts relate in the main to pensions insurance which is contributory and compulsory, except the Act of 1937, which deals almost entirely with voluntary pensions insurance.

7. The Act of 1925 introduced a compulsory scheme of contributory pensions beginning at 65 and continuing until 70, and, speaking broadly, it applied to all persons, male or female, who were employed under a contract of service, excluding those earning more than £250 a year unless they were employed in manual labour.* A wife aged 65 and not herself insured only became entitled to a pension under the Act if her husband was already receiving one. What is here stated about the Act of 1925 is still true of the contributory pension between the ages of 65 and 70.

8. We come now to pensions for widows, a topic which was often mentioned during the Enquiry. Speaking broadly, the principle of pensions for widows is that a widow should receive a pension because she is a widow, beginning from the time when she becomes a widow and continuing, unless she re-marries,

* The pensioned widow who is engaged in such employment may claim exemption, if she desires, from Health and Pensions Insurance. This right is, in fact, very seldom exercised.

until she attains the age of 70. The Act of 1925 gave the widow's pension to the following classes of widows, viz., (1) to the widow, sometimes called a post-Act widow, whose husband was insured and died after the commencement of the 1925 Act, i.e., 4th January, 1926, and (2) to the widow, sometimes called a pre-Act widow, of the man who, to use a convenient phrase without further defining it, was of the insurable class and died before the date of the commencement of the 1925 Act, provided that at that date there was a child alive under 14 years of age, being a child of the marriage or of a previous marriage of either of the parties. The pension just described under (2) ceased six months after that child, or the youngest of such children, reached the age of 14, but by the Act of 1929 the age of 16 (or, where the child remains at school, the 31st July following the sixteenth birthday) was substituted for six months after the age of 14.

9. We come now to the Act of 1929. The widow, whose husband was of the insurable class and died before the commencement of the Act of 1925, did not receive a pension under that Act if she had no young children. She was excluded from the pension by the proviso set out under (2) in the preceding paragraph. The Act of 1929 gave the widow's pension to her, but only as from her attaining the age of 55. The description of pre-Act widow is applied to this widow as well as to the class of widow under the Act of 1925 whom we have already mentioned. Thus, the result of the combined operation of the Acts of 1925 and 1929 is that the widow, whose husband was of the insurable class and died before the commencement of the Act of 1925, is entitled to the widow's pension if she fulfils either of two conditions, viz., if there is a child (being a child of the marriage or of a previous marriage of either of the parties) under age 16, or if she has reached the age of 55. In the course of the discussions in Parliament upon the Act of 1929, an amendment was moved in Committee to give a pension to spinsters also from the age of 55. It was defeated. We refer later (para. 52) to the reasons which were advanced in support of the amendment.

10. If a man or woman continues to receive the 65-70 pension up to the age of 70, or if a widow continues to draw the widow's pension up to the age of 70, he or she is then automatically entitled to receive the pension under the Old Age Pensions Act of 1936, without being subject to the tests as to means or residence or nationality which apply to other persons who fall within the scope of that Act.

11. It will be observed that pensions are now granted on the ground of age (e.g., 65) or of status (e.g., widow or orphan) or of a combination of the two (e.g., the pre-Act widow who has reached 55).

Contributions.

12. The weekly Pensions contributions at present are 11d., payable by an insured man and his employer, and 5½d., payable by an insured woman and her employer. Apart from certain variations, into which we need not enter, the Act of 1925 fixed the basic contributions at 9d. and 4½d., and they have since been increased to 11d. and 5½d. The increase has taken place in accordance with the Act of 1925, which provided that the contributions of 9d. and 4½d. should be increased, unless Parliament otherwise determined, by 2d. (man) and 1d. (woman) a week at the commencement of each of the second, third and fourth decennial periods from the beginning of the scheme. Under that provision the first increase came into force as from 1st January, 1936, and resulted in the present contributions of 11d. and 5½d., and the effect of the provision will be to increase the contributions further in due course, until they reach the figures of 1s. 3d. (man) and 7½d. (woman). These contributions are paid in part by the insured person and in part by the employer. Thus, the present contribution of 5½d. for an insured woman is paid as to 3d. by the insured woman and as to 2½d. by her employer. We have found it convenient at times, for the sake of brevity, to speak as if the 5½d. were paid by the insured spinster, but in fact, as we have just said, she pays 3d. of it and her employer pays the remaining 2½d. Contributions are not required to be paid while the insured person is sick or unemployed. If the insured person remains in employment after reaching the age of 65, the employer's part only of the contribution continues to be payable.

13. As regards the difference in the rates of contribution as between men and women, we would refer to passages in two reports of the Government Actuary, viz., the report on the financial provisions of the Bill of 1925* and the first decennial report on the scheme in 1935.† In para. 5 of the former report he said this, "... regard has been had to two considerations peculiar to a scheme of this kind, namely, (i) that the major part of the benefits consists of pensions for widows and allowances for children, and (ii) that the wife of an insured man will be entitled, equally with himself, to a pension when both have reached the age of 65. These considerations suggest that insured women (who for the most part are young and unmarried) should contribute to the scheme on a wider basis than is represented by the slight probability that they will themselves continue in insurance to the age of 65 and then become entitled to a pension in their own right. It is accordingly proposed (i.e., in the Bill) that for insured women the weekly

* Cmd. 2406.

† H.C. 82 of 1935.

contribution shall be one-half of the rate payable for insured men". In para. 39 of the latter report he said, "in framing the scheme (i.e., the Contributory Pensions scheme) it was decided as a practical measure that the contribution payable in respect of a woman should be one-half of that payable in respect of a man". In other words, as we understand, the woman's contribution was fixed at half of the man's contribution because, for the reasons set out in those reports, that was judged to be fair.

14. The Government Actuary, in the memorandum which he prepared for us and part of which is reproduced as Appendix B to this Report, states, as a result of the experience gained up to 1933, that the weekly contribution which must be paid from age 16 onwards in respect of a man or a woman to provide his or her 65-70 pension is, in fact, 3.5d. (man) and 3.9d. (woman).* The manner in which he there splits up and allocates the 11d. (man) and the 5½d. (woman) contributions is shown in this Table, viz.:—

	<i>Men.</i>	<i>Women.</i>
Weekly contribution from age 16 to age 65 required for:—	d.	d.
(a) Whole cost of 65-70 pensions ...	3.5	3.9
(b) Whole cost of 65-70 pensions to wives or widows of insured men who had never been insured ...	1.5	—
(c) Whole cost of the loss of contributions (after marriage) of insured women who marry insured men and give up work ...		
(d) Part of cost of widows' (to age 65) and orphans' benefits ...		
	4.0	0.6
Total contribution for under-70 benefits ...	9.0	4.5
(e) Part of cost of over-70 pensions ...	2.0	1.0
Total weekly contribution payable by employers and employed persons (1936-1945)...	11.0	5.5

Note.—"Women" means women paying contributions and so excludes uninsured married women and widows, although they are entitled to pensions.

15. On the figures in the women's column in this Table we would offer the following observations. First, the 3.9d. is the amount which has been ascertained by experience to be the necessary weekly contribution from the age of 16 to the age of 65, if the contributions paid before 65 are to meet the cost of the 65-70 pension, allowing for increments of interest and

* Appendix B, paras. 3, 6.

"benefit of survivorship".* As the scheme came into operation only on 4th January, 1926, it follows that, in respect of every spinster of 65 or over to whom the pension is now being paid, the contributions actually paid fall short of meeting the cost of the pension. A spinster who was 16 in 1926 will reach 65 only in 1975. Secondly, the woman who never marries, and in respect of whom the basic contribution of $4\frac{1}{2}$ d. is paid from 16 to 65, not only pays the whole cost of the pension which she receives from 65 to 70, but also contributes a small amount towards the cost of pensions of widows to age 65 and orphans' benefits. Thirdly, the balance of the basic $4\frac{1}{2}$ d. after deducting the 3.9d., viz., 0.6d., is allocated in the above Table to item (d), part of cost of widows' (to age 65) and orphans' benefits. The 0.6d. might, we understand, have been allocated differently. If, for example, the whole $4\frac{1}{2}$ d. were allocated to item (a), age 65-70 pension, the weekly contributions beginning at age 16 would have met the cost of the 65-70 pension before the age of 65 was attained (see para. 43 below), but the Exchequer would have had to make good the loss of the contribution of 0.6d. to item (d).

16. As regards the sums of 2d. and 1d. allocated to item (e) in the above Table, they represent the first of the decennial increases which, as the Government Actuary states in his report,[†] are imposed to assist in meeting the liability for pensions after age 70. The Government Actuary in his 1935 report (H.C. 82 of 1935, paras. 45 and 46) estimated that the effect of the waiver of the means and other tests for over-70 pensions by the Act of 1925 was to increase the pensioner population over age 70 by only about 17 per cent. in the case of men and 7 per cent. in the case of women. It appears, therefore, that most spinsters and most other insured persons who pay contributions under the Contributory Pensions scheme and receive the 65-70 pension and then afterwards the over-70 pension, would have been able to satisfy all the tests required by the Old Age Pensions Act, 1936, and so would have qualified for the over-70 pension, apart from the provisions in the Contributory Pensions Acts which relieved them of the necessity of complying with those tests.

Exchequer Contribution.

17. The money required for the payment of under-70 pensions comes from two sources, viz., from the current weekly contributions of the insured persons and their employers and,

* "Benefit of survivorship" means that the contributions of those who die before 65 are used in the payment of the pensions of those who survive to that age. Where we speak in this Report of fixing a contribution appropriate to a particular benefit, this "benefit of survivorship" is taken into account, although it is not always mentioned.

[†] Appendix B, para. 13.

as these alone are not sufficient, from the Exchequer, which provides a contribution to make up the difference. A fuller discussion of this method of providing the money required annually for the under-70 pensions will be found in the first Treasury memorandum* and in the report of the Government Actuary.† There are three reasons why the weekly contributions, taken by themselves, are not sufficient. First, the basic contributions themselves are not quite adequate to meet the cost of the under-70 pensions in respect of entrants at age 16.‡ Secondly, many of the contributors were over the age of 16 at the time of their entrance in 1926, with the result that the basic contributions in respect of them were correspondingly more inadequate to meet the cost of the under-70 pensions. Thirdly, the pre-Act widow was admitted to the scheme, but no contributions at all were paid in respect of her. The money required annually to make good the deficiency between the weekly contributions and the under-70 pensions is not provided by an annual Vote varying from year to year, but by a system of Exchequer payments arranged in advance over a period of years upon the basis of actuarial calculations. The weekly contributions, if they were accumulated, would earn interest, and the Exchequer payments provide (*inter alia*) for the interest which is lost because they are not accumulated but used to pay current benefits.

Dependants.

18. As regards dependants, provision is made in the Act of 1936 (re-enacting the provisions of the previous Contributory Pensions Acts) for an allowance for children of or under school age, in aid of a widow, in addition to her widow's pension, and also for pensions for orphans of or under school age of an insured widower or of an insured or pensioned widow. Particulars of these allowances and pensions will be found in the Treasury memorandum.§ A matter of more interest to spinsters is the provision made for dependants in the Unemployment Insurance Acts, 1935 to 1938. Persons who are insured against unemployment under these Acts and then fall out of work may draw benefits for certain adult or child dependants (see para. 92 below) in addition to their own Unemployment Benefit. Further, the Unemployment Assistance Act, 1934, provides Unemployment Allowances for persons who have exhausted their Benefit rights under the Unemployment Insurance Acts and also for

* Minutes of Evidence, First Day, pp. 3-4, paras. 19, 21.

† Appendix B, paras. 1, 2, 16, 17.

‡ Appendix B, para. 10. We refer later (paras. 41 *et seq.*) to the question of the allocation, amongst the various benefits, of the Exchequer contribution to meet this deficit in respect of entrants at age 16.

§ Minutes of Evidence, First Day, pp. 2-3, para. 6.

able-bodied persons who are not insurable against unemployment under the latter Acts but are compulsorily insurable under the Contributory Pensions Acts, and the needs of the household of which the unemployed person is a member, including any dependants residing at the same address, are taken into account in fixing such Allowances.

Maintenance of Insurance.

19. The question of the maintenance of a spinster's Pensions insurance at times when she is not in insurable employment* was raised before us, and we therefore call attention very briefly and without detail to the main effect of the statutory provisions which preserve her rights under the Pensions and also the Health Insurance schemes when she is unable to work through sickness or unable to find insurable employment.† These provisions are contained in the National Health Insurance Act, 1936, sections 6, 7 and 9. When the spinster falls out of insurable employment, she enters upon a "free insurance period", which, apart from sickness, may vary in length from eighteen months to a maximum of two years‡. During the "free insurance period" her full sickness and pension rights are preserved, subject to compliance with the normal qualifying conditions. At the close of the "free insurance period", if she is still unemployed, she may enter upon a further period, known as the "extended insurance period", during which insurance rights are preserved for her without the payment of contributions whilst she continues unemployed, subject to her satisfying two conditions, viz., (1) she must have been insured continuously for ten years before the "free insurance period" began, and (2) she must prove incapacity or unemployment during practically the whole of the "free insurance period", i.e., prove that she was either incapable of work or was available for insurable employment but unable to obtain it during that period. During the "extended insurance period" she retains her right to Health benefits other than sickness or disablement benefits and her full rights under the Contributory Pensions.

* When we speak of a spinster as insurably employed, we mean that, by virtue of her employment, contributions towards a 65-70 pension are compulsorily payable in respect of her under the Act of 1936.

† See paras. 4 to 13 of the Ministry of Health memorandum (Minutes of Evidence, Sixth Day, pp. 197-8).

‡ The length of the "free insurance period" may be affected by sickness, either at the beginning or when it is due to end. If the insured person ceases work by reason of sickness, the period of eighteen months to two years does not commence until the incapacity ends. If she is sick when the "free insurance period" is due to end, then the period is prolonged until the 30th June or 31st December after her recovery.

scheme. The "extended insurance period" will be renewed from year to year, provided that at each renewal she produces similar proof of incapacity or unemployment during the preceding year. In this way she may be able to maintain her insurance indefinitely without paying any more contributions during periods of sickness or unemployment. We desire to call attention to the first of the two above conditions, as the nature of it seems sometimes to be misunderstood. It requires ten years of continuous insurance, not ten years of continuous employment. This condition may be fulfilled, although during the ten years there were many periods of unemployment.

20. There is another provision which also relates to a period of ten years of continuous insurance and is designed to preserve the pension rights of insured men and women, and we mention it here in order to distinguish it from the provision which we have just described. One of the conditions which an insured person, let us say a spinster, must, as a rule, satisfy before she can draw the 65-70 pension, is that she has paid, on an average, not less than 39 contributions a year in the three contribution years immediately before she reaches 65 (see section 9 (1) (c) of the Act of 1936). By section 9 (1) (ii) of that Act, however, if she is an insured person when she reaches 60 and has at that date been continuously insured for a period of ten years, she is relieved from the above condition as to qualifying contributions.

21. There are still other provisions by which Pensions insurance may be maintained despite the cessation of insurable employment, viz., the provisions in the Act of 1937 and in the National Health Insurance Act of 1936 by which a person who was in insurable employment but has ceased to be so, may, if he or she wishes, continue to pay either Health or Pensions contributions, or both, as a voluntary contributor. This general statement requires qualification as regards one or two small classes of insured persons, but for present purposes it is not necessary for us to enter into these qualifications.

Statistics.

22. In the course of our Enquiry a number of figures were quoted, relating to the classes of persons with whom we were concerned in our investigations. These figures frequently related to different dates and were subject to various qualifications, and we have therefore thought it well to set out the figures in some of the principal classes at the latest convenient date (viz., 1937). The figures all relate to Great Britain, and are, in the main, derived from the published reports of Government Departments.

—	Men.	Spinsters.	Widows and married women.	All women.
	(1)	(2)	(3)	(4)
I. Estimated total population aged 15 to 65 at 1st July, 1937 ...	15,277,500	†	†	16,680,500
II. (a) Estimated numbers of persons aged 16 to 65 insured for Contributory Pensions at 31st December, 1937	12,353,500	about 4,000,000	about 2,000,000	6,010,600
(b) of whom, voluntary contributors ...	620,000	†	†	111,900
III. Estimated numbers of persons aged 18 to 65 insured against unemployment at 1st July, 1937 ...	9,564,000	2,197,000	872,500	3,069,500

† Figures are not available.

The total numbers of persons aged 65 to 70 who were in receipt of contributory pensions on 31st December, 1937, were as follows:—508,811 men, 210,163 wives of insured men, and 93,763 women who received the pension as insured women. Of this 93,763 about 61,000 were spinsters, and the remainder were either insured married women or insured widows who were not in receipt of widows' pensions. At the same date, the number of widows under age 70 in receipt of pensions was 805,649, of whom 591,868 were post-Act widows, and 213,781 were pre-Act widows under the provisions of the Acts of 1925 or 1929.

At the end of 1937 the total population of spinsters aged 55 to 65 was about 400,000, of whom about 175,000 were insured under the Contributory Pensions Acts.

23. It should not be overlooked that none of the above figures remains constant, and that a change may be the net result of a combination of various tendencies, e.g., the total number of widow pensioners is increasing because the rise in the number of post-Act widows is more rapid than the fall in the number of pre-Act widows. Generally speaking, the population at the higher ages is increasing rapidly, whilst the numbers of the younger adults and of children are tending to decline.

PART II.

COMPLAINTS AS TO THE POSITION OF UNMARRIED WOMEN UNDER THE CONTRIBUTORY PENSIONS ACTS.

24. We now proceed to examine the complaints which have been submitted to us as to the position of spinsters under the Contributory Pensions Acts.

25. In support of the plea that the pension age of spinsters should be lowered, more than one witness described to us in moving terms the hardships which many spinsters have to endure from about the age of 50 or 55. Amongst the series of questions which we submitted to various Government Departments we included several which were suggested to us by such evidence, and the Departments have assisted us by their answers. In the very nature of the case those answers were largely statistical in form. It is clearly necessary to have regard to the statistical aspect of these problems, and we have sought to do this without failing to pay due regard to other aspects also. The Government Departments who have laid figures before us have pointed out in various instances, first, that the figures are not complete, but relate only to a certain portion of the total number of individual persons who fall within the class under consideration, and secondly, that none the less the figures may be taken as being a sufficiently reliable index to the statistical side of the problem.

Comparison of current contributions made, and current benefits received, by spinsters.

26. It is said that the total annual contributions of all spinsters to the Pensions fund are £4,500,000, whereas the annual payments of pensions to spinsters between the ages of 65 and 70 are only £2,000,000, and that therefore "a considerable proportion of the spinsters' contributions" goes elsewhere.* The two things which are being compared here are contributions paid and pensions (65-70) received by spinsters in the same year. It is true that contributions are used to pay pensions, but this fact does not in our opinion justify the above comparison, which we cannot regard as valid.†

27. The £2,000,000 relates to pensions received by a five-year group of spinsters, viz., those between the ages of 65 and 70. The £4,500,000 is made up of the contributions which are paid in respect of all spinsters who come within the provisions of the Pensions Acts and are less than 65 years of age, increased

* Spinsters' Charter (Appendix A), para. 8.

† See Government Actuary's report (Appendix B), paras. 1, 2, 17. See also Minutes of Evidence, Fifth Day, p. 170, paras. 32, 33, and p. 178, Qns. 1601-4.

by a small sum derived from the employer's share of the Pensions contribution which is paid by the employers of such spinsters as remain at work after age 65. Now the basis on which the contributions payable by these contributing spinsters (and therefore by any group, say a five-year group, selected from amongst them) have been assessed, bears no relation to the fact that the contributions are being used in payment of pensions to the persons now within the five-year group of 65 to 70. For the amount of the Pensions contribution, whether contributing spinsters as a whole or any group of them be considered, has been determined, in principle, upon the basis that (over and above the small portion of it which represents part of the marriage and widowhood liability) it would be adequate to meet the cost of the 65-70 pensions of the contributors, if paid from age 16 and accumulated at compound interest, together with "benefit of survivorship",* until age 65.† When contributions have been assessed on the basis which we have just explained, a valid comparison cannot be made between the pensions received in one year by the spinsters in the age group 65-70 and the contributions paid in the same year by spinsters who are under 65.

28. Further, whilst the suggested comparison between Pensions contributions and pensions in one and the same year must be unsatisfactory and misleading for the reason already given, yet, if any such comparison were to be made, it might fairly be said that the contributions of spinsters who are likely to marry and so to become entitled contingently to wives' or widows' pensions should be excluded and those contributions only should be considered which come from the class of spinsters who remain unmarried until 65, since the above-mentioned £2,000,000 represents the Pension benefits of this class only. Further, only that part of the total contribution which is needed for the purpose of providing 65-70 pensions (i.e., 3·9d. (see para. 14 above) less 0·2d. for expenses of administration) should be taken into account. If this were done, the figure of £4,500,000, which was said to be the total of contributions from all insured spinsters (the correct figure is £4,250,000), would be reduced to about £1,100,000‡. The Deputy Government Actuary said that the total of 65-70 pensions which were being paid to spinsters in 1938 was about £1,600,000. If, therefore, the suggested comparison is made, but is restricted to contributions, not from all spinsters but only from such as remain

* See note on para. 15 above.

† Government Actuary's report (Minutes of Evidence, Fifth Day, p. 170), para. 33.

‡ An alternative allocation gives a figure of 3½d. instead of the above figure of 3·9d. (see Appendix C, para. 4). If 3½d. were substituted for 3·9d., the figure of £1,100,000 would be reduced.

unmarried until 65, and to 65-70 pensions paid to such spinsters at the present time, it will be seen that, for the year in question, the pensions considerably exceeded the contributions.

Comparison of number of spinsters receiving pensions with number approaching the pension age.

29. It was also contended on behalf of the N.S.P.A. that the pension age for spinsters should begin before 65, because so many of them, after paying Pensions contributions for a considerable period, die or fall out of insurance before they reach 65 and so fail to draw the pension. It was said* that only 80,000 of the insured spinsters qualify† for the pension (65-70) but that approximately 175,000, being the number of insured spinsters between the ages of 55 and 65, would qualify if the age were reduced to 55, and from these figures the inference is drawn that "from age 55 to 65 there are 95,000 single women who lose contact with insurance and fail to qualify for pension at 65".

30. Leaving aside for a moment the question of the correctness of the figure of 80,000, to which we shall return, the argument is unsound, because the 175,000 relates to an age group of ten years, viz., 55 to 65, whilst the 80,000 relates to one of five years, viz., 65 to 70. The number of those comprised within the figure of 175,000 who fail to get into the 65-70 age group cannot be discovered simply by deducting 80,000 from 175,000. Of the ten-year group, 55 to 65, only a portion can at any time be in the five-year group, 65 to 70. Indeed, as from the moment when members of the former ten-year group begin to enter the latter five-year group, one or both of the two following propositions will be true of the former group, viz., that some of its members have not yet entered the latter group, or that some have entered it and passed beyond it into the 70-75 age group. It is not accurate, therefore, to say that of the 175,000 spinsters who would qualify for a pension at the age of 55 only 80,000 qualify for a pension at the age of 65.

31. On the other hand, if a comparison of the kind in question is to be made at all, we think that age groups of spinsters

* Minutes of Evidence, First Day, pp. 5-6, Paper No. 14, para. 2.

† The 80,000 is based upon a figure of 85,673, which was given in a Parliamentary answer in 1936 (see Hansard, 17th June, 1936, col. 996) as the number of all women, irrespective of their marital status, who were in receipt of a 65-70 pension by virtue of their own insurance. The word "qualify" is therefore open to criticism, since it suggests, not that the women in question were in the 65-70 age group but that they reached the age of 65. As some who reach 65 die before 70, the number who attain 65 must exceed the number in the age group 65-70. In the same way, the figure of 175,000, which represents the estimated number of insured spinsters between 55 and 65 in 1938 (see para. 35¹ of the report of the Government Actuary, Minutes of Evidence, Fifth Day, p. 170) must be less than the number who actually attained the age of 55.

covering the same number of years and relating to the same body of persons should be taken, e.g., the age group 55-60 ten years ago and the age group 65-70 to-day. The number of insured spinsters in the age group 55-60 in January, 1928, as given to us by the Government Actuary, was about 70,000.* He also told us that the number of spinsters of the age group 65-70 drawing pensions in January, 1938, was about 61,000 (not 80,000). The net number of spinsters who died or dropped out of insurance in those ten years at various ages between 55 and 70 may therefore be said to be the difference between the two figures of 70,000 and 61,000, or say about 9,000.† The evidence before us (especially that of the Ministry of Health‡) does not indicate that this loss of insurance rights by death and lapse between the ages of 55 and 65 is heavier amongst spinsters than amongst other classes of insured persons.

32. We would also call attention to what we say later (paras. 82, 83) about the rates of mortality of spinsters, married women and widows between the ages of 55 and 65.

The contention that spinsters are made to pay too high a contribution for their Pension rights.

33. In the statement submitted by the N.S.P.A.§ it is argued that the woman's contribution for the 65-70 pension is really "assessed" at 2d. a week and yet the amount levied is now 5½d. a week. This argument is derived from the fact that there are pension schemes in some employments (e.g., the Civil Service, municipalities, railway companies and so on) and women who come within such schemes and whose old age pensions are not provided under the Contributory Pensions Acts were (prior to 1938||) only required to pay a contribution of 3½d. instead of 5½d. From this fact the above argument proceeds to draw the inference that the difference of 2d. between those two sums (viz., between the sum paid for other benefits under the Acts and 5½d.) would be the legitimate contribution for the 65-70

* Minutes of Evidence, Fifth Day, p. 170, para. 35.

† The 61,000 includes some spinsters who were not in the 70,000 because they were not insured at January, 1928, but entered or re-entered insurance between January, 1928, and January, 1938. It follows that the number out of the 70,000 who died or dropped out of insurance in the ten years was rather more than 9,000. On such evidence as we have, we conclude on the whole that the number is not largely in excess of that figure. Further, it is true that some of the 70,000 attained 65 and began to receive the pension and died before January, 1938, just as it is true that some spinsters, who, if they had lived, would have been in the 55-60 age group in January, 1928, died before that date and after attaining the age of 55.

‡ Minutes of Evidence, Sixth Day, p. 199, Table I.

§ Minutes of Evidence, First Day, p. 6, Paper 14, para. 6.

|| Under the terms of Section 11 of the Act of 1937 contributions ceased to be payable at all in respect of this class of woman.

pension. The argument is, however, unsound. In the first place, if it were sound, it would lead to the somewhat remarkable conclusion that the contribution required from an insured woman from age 16 to age 65 in order to provide the 65-70 pension would vary from one decade to another. Between 1926 and 1935, when the Pensions contribution for an insured woman was fixed at $4\frac{1}{2}$ d., it would be $4\frac{1}{2}$ d. minus $3\frac{1}{2}$ d., or 1d.: between 1936 and 1945, after the first decennial increase and the consequent raising of the $4\frac{1}{2}$ d. to $5\frac{1}{2}$ d., it would become 2d.: and so on. In other words, if the argument is to be used at all, the decennial increases (which were imposed for the purpose of meeting part of the cost of pensions after age 70) should be disregarded, and the comparison should be between the figures of $4\frac{1}{2}$ d. and $3\frac{1}{2}$ d.; and the conclusion would then be that the legitimate contribution to be required from the insured woman for the 65-70 pension is 1d. a week. In fact, as the Government Actuary informed us, the appropriate contribution is 3.9d. a week and that contribution is fixed on the assumption that the contribution will be paid from age 16 to age 65.* In the second place, the $3\frac{1}{2}$ d. payable in respect of such insured women as were covered by the above-mentioned pension schemes was not fixed upon any actuarial computation of the value of the benefits covered by the $5\frac{1}{2}$ d. contribution after subtracting the value of the 65-70 pension benefit, but was reached in the following way.† In the case of the insured man covered by such a scheme, the proportion of his contribution to be allocated to widows' and orphans' benefits under the Act of 1925 was actuarially computed at 7d., and in accordance with the general arrangements in regard to contributions it was then decided that the insured woman to whom such a scheme applied should pay half of 7d., or $3\frac{1}{2}$ d. This was not an altogether satisfactory procedure, and by the Act of 1937 (see note || above, p. 15) such a woman pays no contribution under any of the Contributory Pensions Acts and is wholly excluded from their operation.

34. The amount of Pensions contributions paid by spinsters was also represented as being too high, upon the strength of a statement in the Government Actuary's decennial report of 1935. The statement, which occurs in para. 39 of that report, is to the effect that, if the whole cost of the widow's pension (with children's allowances) were thrown on to insured men, they and their employers would have to pay a heavy contribution for Pensions, amounting to about a shilling a week, while the Pensions contribution of women and their employers would be reduced "to an almost nominal figure".‡ It was very

* Appendix B, para. 5.

† Minutes of Evidence, Fifth Day, p. 169, para. 29.

‡ Minutes of Evidence, First Day, p. 5, para. 25.

natural that the N.S.P.A. should call attention to this statement and that they should treat it as corroborating the contention that spinsters are being asked to pay much more than is required for the provision of the 65-70 pensions for spinsters. As we have already mentioned, the appropriate contribution required to cover the 65-70 pension for a spinster is 3.9d. per week, assuming that she will pay it from age 16 to age 65. The basic contribution, therefore, of 4½d. a week for her under-70 benefits is 0.6d. in excess of the contribution required to be paid from 16 to 65 in order to cover the 65-70 pension.

35. If the insured women were relieved of all contributions towards the pensions of wives and of widows of insured men and if the accumulations of the Pensions contributions (i.e., the 1½d. which we go on to mention) of insured women who marry and leave insurance on marriage were used for producing pensions at ages 65 to 70 for those women who remain in insurance and qualify for a pension at 65 by virtue of that insurance, then the contribution of the insured woman towards the 65-70 pension could be reduced from 3.9d. to 1½d. a week.* If this were done, the contributions of women who marry would, in the main, be used towards the payment of the pensions of those who do not, and, as we have said, the Government Actuary in para. 39 of his 1935 report says that the contribution for pensions from an insured man and his employer would have to be increased to about 1s. a week, i.e., 1s. as compared with the 9d. a week at which the man's basic contribution was fixed by the 1925 Act. We do not, however, think it reasonable that the contributions paid by women prior to their marriage should be used in this manner. We consider that such contributions should remain available, as at present, towards the cost of providing their own benefits as wives or widows.

36. There remain one or two important and difficult questions with reference to the above-mentioned 0.6d.

37. The appropriate contribution for the woman's 65-70 pension, assuming that she pays her weekly contributions from 16 to 65, has now been ascertained by actual experience to be 3.9d. per week. In his report to us the Government Actuary allocates the balance of 0.6d. to the cost of widows' pensions up to age 65 and orphans' benefits, i.e., to item (d), as set out in para. 14 above.† In view, however, of the way in which the woman's basic contribution of 4½d. was fixed (see para. 13 above), it follows that the 0.6d. can hardly be described as an actuarial computation of the appropriate contribution by the woman to cover the "marriage risk" in

* Government Actuary's report (Appendix B), para. 21.

† Appendix B, para. 7.

respect of widows' pensions and orphans' benefits.* Indeed, the question as to what proportion of those benefits she may fairly be asked to pay is not primarily an actuarial problem.

38. One question which arises about the 0.6d. is whether the spinster should be required to pay it up to the age of 65. One view is that, as the "risk" in respect of which it is paid continues up to 65 she should continue to pay it up to that age. The majority of us, however, do not take that view. They are impressed by the fact that 99 per cent. of the spinsters who marry do so before the age of 50. It may be said that, none the less, the spinster should pay the 0.6d. up to age 65, on the ground that payment of 0.6d. from 16 to 65 is actuarially no more than equivalent to the weekly contribution which the spinster may fairly be asked to pay from 16 to 50 towards item (d), i.e., widows' pensions to age 65 and orphans' benefits. The question at what figure that weekly contribution may fairly be assessed is plainly a very difficult one. On the whole, the majority of us are inclined to think that the spinster may fairly complain of being required to pay the 0.6d. after 50, but we are not able to express an opinion upon the administrative difficulties which might arise if she were relieved of that part of her basic contribution after that age, and other insured women were not.† On the further point whether she should also receive credit in some form or other for the accumulated 0.6d. contributions which she has paid from 16 to 50 or whether they should be treated as having been used to help to meet the cost of them (d), the above-mentioned majority are divided, but the larger number of them take the latter view..

39. We have discussed the suggestion that the insured spinster might be released from the payment of the 0.6d. before she reaches the age of 65. A converse suggestion was that the yield of the 0.6d. collected from all insured women, not merely from spinsters, might be used to reduce the age for the beginning of the pension to something less than 65. According to the evidence of the Government Actuary,‡ (a) if the yield of the 0.6d. contributed by all insured women, which amounted to about £650,000 in the financial year 1937-8,§ were used to reduce

* On a different allocation of contributions, both from insured persons and from the Exchequer, the Government Actuary substitutes the figure of 1½d. for the figure of 0.6d. (Appendix C, para. 4). We refer to this figure a little later (para. 42).

† The Government Actuary, in para. 30 of his report (Minutes of Evidence, Fifth Day, pp. 169-70), says, "The contribution paid by unmarried women towards the liability of marriage and widowhood is so small that variations of treatment on account of age could not be justified on practical grounds."

‡ Appendix B, para. 8: Minutes of Evidence, Fifth Day, p. 176, Qns. 1559-63: Appendix to Minutes of Evidence, p. 234, Papers Nos. 99 (i) and (ii).

§ Of this £650,000, only about £175,000 was contributed in respect of that proportion of insured women who may be expected to remain spinsters until 65.

the pension age of all insured women, whether spinsters or not, the age would be reduced from 65 to about $64\frac{1}{2}$, but (b) on the other hand, if it were used to reduce the pension age only for that proportion of insured women who remain spinsters, the age would be reduced for them from 65 to about 63.* As to (b) the Deputy Government Actuary pointed out that, if it were done, the 0.6d. contributions of insured women who marry would be applied to the pensions of women who do not marry. This refers in the main to the 0.6d. contributions paid by married women before marriage, since after marriage most of them leave insurable employment and so cease to pay contributions, but it also includes the contributions of insured unpensioned widows and of insured wives. We think it might be said in reply to the observation of the Deputy Government Actuary that in a national scheme of compulsory contributory pensions insurance it is impossible to arrange that the contributions of one class or set of contributors shall never be applied except to pensions for that same set or class: but we are bound to add that we do not see on what ground the spinster who does not marry can claim any reduction in the pension age by reason of the 0.6d. contributions of spinsters who afterwards married, or of insured unpensioned widows or of insured wives. If either (a) or (b) were done, the application of the 0.6d. contributions to the pensions contemplated in (a) or (b) would mean that they were diverted from the pensions which they are now helping to pay, and, to make good that loss, the Exchequer would have to supply a further sum, or the men's contributions would have to be slightly increased. In fact, if either (a) or (b) were done, women would make no contribution at all towards the cost of widows' pensions to age 65 or orphans' pensions.

40. The N.S.P.A. also contended that the 65-70 pension for spinsters should be subsidized by the Exchequer. Their complaint that other classes receive a subsidy, but that spinsters do not, was originally based on a comparison of benefits and contributions in the same year, and for reasons which we have already given (paras. 26-28) we regard such a comparison as fallacious. But after considering the report and the evidence from the Government Actuary's Department, the N.S.P.A. claimed that such a subsidy should be given to the spinster on the ground that it now appears that the State provides a 35 per cent. subsidy towards the cost of item (d) in the Table in para. 14, i.e., widows' pensions before 65 and orphans' benefits. In considering this matter, we shall leave aside spinsters beginning to contribute after age 16. It was always intended that

* If the yield of the 0.6d. collected from the class of those insured women only who remain spinsters up to 65 were used for the reduction of the pension age of that same class alone, the result would be to reduce it for them from 65 to about $64\frac{1}{2}$.

the pensions of persons entering after age 16 should be subsidized, because the contributions were calculated to meet the cost of pensions on the assumption that the contributions began at age 16.

41. The Government Actuary has pointed out to us* that the contribution from the Exchequer, which is treated in his report as a 35 per cent. subsidy towards item (d), might be regarded in another way. It might be divided amongst the various under-70 benefits so as to provide the same proportion of each, and that proportion would be 17 per cent. The 35 per cent. and the 17 per cent. are different methods of allocating the Exchequer contribution which, as we understand, the State itself does not earmark for any specific benefit, but provides in order to make good the difference between the total of benefits and the total of contributions.

42. We are of opinion that, if the 35 per cent. method of allocation is accepted, the spinster who does not marry has a just cause of complaint, because the Exchequer pays a subsidy of 35 per cent. towards item (d) in the Table in para. 14, i.e., widows' pensions before 65 and orphans' pensions, but pays no subsidy towards spinsters' 65-70 pensions. A majority of us are also of opinion that, if the 17 per cent. method of allocation is accepted, the spinster who does not marry has a just cause of complaint in respect of the amount of her contribution towards the cost of the above pensions under item (d), which then becomes 1½d. They (i.e., the majority in question) recognize that it is very difficult to decide how much she (or, indeed, the bachelor) should contribute toward such pensions, but they feel bound to say that 1½d. seems to them to be too high a contribution to ask her to pay for this purpose, whether she pays it up to age 50 or up to age 65.

43. In reply to a question which we put to him, we are informed by the Government Actuary that, if a subsidy of 35 per cent. were granted in aid of the pensions of spinsters and if the whole of the 4½d. contributions in respect of such spinsters were used for this benefit, the result would be that the pension age for spinsters might be reduced by nearly three years, or, alternatively, their contributions in respect of their 65-70 pensions might be reduced to 2½d. per week.† The Government Actuary also informs us, in reply to a further question put by us to him, that, if the whole 4½d. contributions in respect of a group of women were, apart from a small deduction for the cost of administration, allocated to the 65-70 pension, then the accumulated 4½ds. paid continuously from age 16 (allowing for non-payment during sickness and unemployment on an average basis), together with interest and without any subsidy, would

* Appendix C, paras. 2, 3.

† Appendix C, paras. 7, 8.

suffice, by the time that the women attained the age of 50, to meet the cost of their 65-70 pensions.* The majority of us would not feel able to approve a suggestion that the whole $4\frac{1}{2}$ d. should be allocated to the 65-70 pension, so that spinsters made no contribution at all towards the cost of widows' pensions to age 65 or orphans' benefits.

44. If pensions were granted to spinsters and to them alone at 55, however, and their basic Pensions contribution of $4\frac{1}{2}$ d. per week were not increased, they would then be receiving a subsidy of much more than 35 per cent. from the Exchequer. The relative figures appear to be as follows. The Government Actuary in his report informs us† that the weekly contribution of an insured man to the cost of the pensions of widows up to age 65 is 4d. and that this is equivalent to 60 per cent. of the full cost, and it follows that the 35 per cent. of the full cost, which is provided by a subsidy from the Exchequer, is equivalent to a weekly contribution or subsidy of $2\frac{1}{2}$ d. On the other hand, since, as the Government Actuary informs us,‡ the contribution required to cover a spinster's pension from 55 to 70 would be about 1s. 5d. a week, it follows that, if the spinster received such a pension without any increase of the present basic contribution of $4\frac{1}{2}$ d. a week, the Exchequer would have to provide a weekly contribution or subsidy of about 1s. 0 $\frac{1}{2}$ d., or, in other words, over 70 per cent. of the full cost of the pension.

45. As regards the over-70 pension, it appears from the report of the Government Actuary§ that, after allowing for the decennial increases, the Exchequer subsidizes the pensions both of men and of women, but that the subsidy provides a larger proportion of the women's than of the men's pensions. We ought, in fairness, to add that the abolition of the means test for insured men and women in respect of the over-70 pension was a change rather for the benefit of the man than of the woman, since the means test excluded a larger proportion of men than of women (see para. 16).

Complaint connected with the Health Insurance contributions.

46. Our attention was also drawn to another complaint connected with the contributions of spinsters, viz., the contribution paid in respect of a spinster for Health Insurance. It was pointed out that, though married women and spinsters pay the same contribution, viz., $8\frac{1}{2}$ d. a week, the married woman draws out more in benefits than the spinster. It was alleged, in addition, that the spinster, even after attaining middle age,

* Appendix to Minutes of Evidence, p. 234, Paper 99(iv).

† Appendix B, paras. 9, 10.

‡ Minutes of Evidence, Fifth Day, p. 169, para. 26.

§ Appendix B, para. 15.

continues to pay 1½d. maternity contribution, being part of the Health contribution, and it was suggested that this 1½d., or at any rate some part of the 8½d. paid by the middle-aged spinster, might be diverted and used to provide a pension for her at an earlier age than 65.* In view of the Terms of our Reference we do not think that we ought to enquire into alleged inequalities under the Health Insurance Acts, but only under the Contributory Pensions Acts. We confine ourselves, therefore, to pointing out that, as the Deputy Government Actuary informed us,† one-fifth of the maternity benefit is provided by the Exchequer, and as to the other four-fifths, the part of the 8½d. which is calculated to provide it, assuming the contribution to be paid from age 16, is 0.33d. per week. The above-mentioned 1½d. seems to be, not a maternity contribution, but the weekly expenditure, per married woman, on maternity benefit in a single Approved Society, as set out in para. 19 of "The Spinsters' Charter".

The claim that the grant of pensions to widows at age 55 under the Act of 1929, or at the average age of about 55, justifies the claim of spinsters to pensions at the same age.

47. More than one argument was addressed to us, based on a comparison between the spinster and the widow as regards pension. For the considerable emphasis that has been laid upon this comparison, we think that there are three main reasons. First, under the Act of 1929, pensions were granted to some widows on the attainment of age 55. Secondly, the widow, on an average, receives her pension at the age of about 55½.‡ Thirdly, there are large numbers of spinsters who suffer great hardship from the age of about 55 onwards. Such a spinster naturally compares her lot with the lot of the pensioned widow, and, indeed, may have in mind some widow known to her, perhaps younger than herself, who receives the pension and has no responsibility, or no greater responsibility than her own, for the support of dependants. Much of our evidence has come from the parts of England where the textile trades are carried on, and in those trades, perhaps, such a comparison is particularly likely to arise. For in them, more perhaps than in any other trades, a woman remains at work after marriage, so that, e.g., when an elderly spinster, who has no pension, loses her occupation and comes on to Unemployment Benefit, she may know that a younger woman who was working beside her has a

* See Spinsters' Charter (Appendix A), paras. 19, 20.

† Minutes of Evidence, Fifth Day, p. 174, Paper 59C, paras. 4, 5.

‡ This age is based on the answer to a Parliamentary question on 26th February, 1936, and relates to *all* widows up to age 70, both pre-Act and post-Act. In reply to a recent Parliamentary question (15th December, 1938) it was stated that the corresponding average age for the beginning of the pension in respect of *post-Act* widows alone up to age 70 was about 51.

widow's pension which will go to supplement her Unemployment Benefit, or she may even see the younger woman remaining in work and continuing to earn a wage in addition to her widow's pension. In these circumstances, it is easy to understand how the comparison between the spinster and the widow as regards pensions has come to play a large part in the demand for pensions for spinsters at 55.

48. We now proceed to deal with the arguments for "equity with the widow", which are based on the provision of the Act of 1929 and on the average age at which the widow begins to receive her widow's pension.

49. Under the Act of 1929, pensions were granted at age 55 to pre-Act widows, i.e., widows of insured men who died prior to the commencement of the Act of 1925, viz., 4th January, 1926, whilst the spinsters have to wait until age 65. Though, for the reason set out in the next paragraph, we consider this claim for "equity" to be largely founded on a misunderstanding of the basis on which these pensions are awarded, we cannot but feel sympathy for the elderly unmarried woman who, for example, is working in a factory side by side with a widow, and sees that widow awarded a pension on reaching the age of 55, whilst she has to wait another ten years before she can qualify for a pension.

50. The complaint is thus a natural one, but the argument cannot be assessed at its right value unless the true character of these pensions, which may, for convenience, be described as 1929 Act pensions, is understood. The unmarried woman, in claiming "equity with the widow", treats these pensions as age-pensions to widows, whereas their true description is widows' pensions, though, in fact, they are limited to widows over a certain age, namely, 55. The spinster is perhaps apt to forget, first, that, but for the accident that the widow's husband died prior to a certain date (4th January, 1926), the widow would have been awarded a pension, not from age 55, but from the date of widowhood, which might have been before 55, and secondly, that the 1929 Act widows will have disappeared within a comparatively short space of time.*

51. We have read the explanations of Ministers when the Bill of 1929 was before Parliament. We gather that it was felt that widows whose husbands had died before 4th January, 1926,

* As we have already stated (see para. 8) the description "pre-Act widow" is applied to these widow pensioners under the Act of 1929 as well as to certain widow pensioners under the Act of 1925. The pre-Act widow is not a permanent element in the Pensions scheme, and the 1935 report of the Government Actuary (H.C. 82 (1935), Table V, col. 1) shows that the number of pre-Act widows (of whom there were 213,781 at the end of 1937, see para. 22 above) will have fallen to less than 25,000 within the next twenty years.

should, if possible, be put in exactly the same position as regards pensions as those whose husbands died after that date. It was found, however, that this course would be too expensive: it was therefore decided, on the ground that elderly pre-Act widows were the most deserving of those who were without pensions, to grant pensions to those who were aged 55 or more. The 1929 Act pensions were thus granted primarily because these women were widows, and not because they were elderly and beginning to lose their capacity for work. Further, the age of 55 had no significance except as an indication of the limit fixed by expense, and it affords no support for the contention that spinsters should logically be granted pensions at age 55 because some widows receive them at that age.

52. In the course of our Enquiry we were informed that, at the time the 1929 Bill was before Parliament, an amendment providing for the grant of pensions from age 55 to spinsters was proposed and rejected. We have examined the discussion of that amendment, which was debated in the House of Commons on 14th November, 1929, in order to discover the grounds upon which the claim of spinsters to pensions at age 55 was then urged and the grounds upon which it was opposed. The mover of the amendment compared the spinster's lot with that of the young widow, meaning (as we understand) the post-Act widow, and neither side appears to have regarded the claim as connected with the fact that pre-Act widows were being granted pensions at the age of 55.

53. The claim that the spinster should begin to receive a pension at 55 was also based* on the contention that, taking into account all widows and not merely the pre-Act widows under the Act of 1929, 55½ is the average age at which the widow first receives the widow's pension. The widow's pension, however, is granted to the widow because she is a widow and without any regard to her age. Since the widow gets her pension for a reason unconnected with her age, the fact that she begins to receive her pension on the average at the age of 55½ or, to put it in another way, the fact that widows on the average are aged 55½ when they lose their husbands, affords no basis in principle for the assertion that the pension of any other class of women should start at about 55. Dealing with the matter on broader grounds, we think that the contention must also be judged in the light of the circumstances which widowhood often involves and which, when they occur, distinguish the position of the widow from the position of the spinster: e.g., the widow may have been unable to accept employment, because of her home duties, for many years, whereas the spinster may never have lost touch with employment, or the widow may have

* Spinsters' Charter (Appendix A), para. 23.

children requiring her care and so be unable to re-enter employment on equal terms with other working women. When the information was obtained that widows first receive the pension at an average age of 55½, this was put forward as justifying the claim (which had already been advanced) that spinsters ought to receive the pension at 55.* But if the average age had been substantially higher or lower than 55½, we doubt whether any inference about the age at which spinsters should get a pension would ever have been drawn from it.

54. Further, as regards the comparison between the spinster and the post-Act widow, who represents what we may call the permanent widow element in the scheme, if the contention is examined from the point of view of the weekly contributions in respect of insured persons, there is a plain difference between the existing post-Act widow's pension and the proposed 55-65 spinster's pension. The existing contributions were calculated with the post-Act widow's pension in view, and the contributions of men and of women who marry are sufficient to provide, *inter alia*, the whole of it from 65 to 70 and more than half of it up to age 65. On the other hand, nothing in the existing contributions of men or women was designed to provide a 55-65 pension for spinsters, and, in fact, after provision has been made for the 65-70 pension, there is nothing left in the basic contribution of 4½d. in respect of the spinster except 0.6d. which, as already stated, would only be sufficient to cover an additional half-year of pension, i.e., 64½ to 65. If, therefore, we may alter the phrase which was often used before us, and judge this claim on the basis of "equity with the post-Act widow", we feel bound to conclude that the claim is not a strong one.

55. One further point as regards the comparison between the spinster and the widow arises by reason of the contribution which is provided by the Exchequer. With that point we have already dealt in paras. 40 to 45 above.

The alleged inadequacy of the provisions of the Acts to maintain the insurance rights of elderly spinsters.

56. It has been alleged in evidence before us that comparatively few insured spinsters qualify for old age pensions at age 65 because, for various reasons, they are forced out of the labour market and "lose contact with insurance." It is admitted that recent legislation has made it easier for them to preserve their title to pensions, but it is alleged that this legislation does not go far enough, since large numbers of middle-aged spinsters cease to be insured because they are unable to satisfy the statutory test which is required before extended insurance is granted at the end of the free insurance period. This test was

* Spinsters' Charter (Appendix A), para. 23.

sometimes described to us as being 10 years' continuous employment before the beginning of the free insurance period, but the test, as we have already pointed out (see para. 19 above), is not 10 years' continuous *employment*, but 10 years' continuous *insurance*, before that point of time: nor does the test require, as has been alleged to us, the maintenance of a high average number of contributions.

57. No statistical evidence in support of the above allegation was produced—indeed, the answers to a questionnaire issued by the N.S.P.A. to about 800 spinsters aged 40 or more and resident in five areas (Bradford, Blackburn, Huddersfield, Bermondsey and Manchester) seemed to show that practically all were still insured and that, on average, they had been insured for 23 or 24 years. Further scrutiny of the individual replies showed that only 6 per cent. gave answers which indicated that they had been insured for less than ten years at the date of replying to the questionnaire. It is, however, right to point out that some of the remaining 94 per cent., when they stated how long they had been "paying National Health Insurance", may have reckoned from the date of original entry, and not from the date of last entry, and so may, in fact, have had less than ten years of continuous insurance at the date of replying to the questionnaire.

58. On the other hand, we were impressed by the observations in paras. 4 to 11 of the Ministry of Health memorandum* regarding the steps which have been taken to preserve an insured person's title to pension. They show how much has been done with the object of retaining in insurance for Pensions purposes all persons of the insurable class†. It seems to us that any considerable relaxation of the existing conditions must involve the virtual abandonment of the contributory principle for the grant of pensions.

59. The official statistics submitted to us in the above memorandum go far to support the view that the provisions for preserving the Pension rights of insured persons are effective. The memorandum also describes an investigation into the records of 30 Approved Societies which was undertaken by the Ministry of Health and the Department of Health for Scotland for the purpose of assisting us in this Enquiry. The number of spinsters aged 45 to 65 in those 30 Approved Societies at the beginning of 1936 was 132,777, or about 29 per cent. of the total number (i.e.,

* Minutes of Evidence, Sixth Day, pp. 197-8.

† In answer to a question regarding the administrative machinery for this purpose, the Controller of Health Insurance said, "I think it is adequate and generous and well thought-out. This problem of the effect of unemployment on National Health Insurance has been with us for nearly 20 years now, and we have been trying all the time to get a really satisfactory solution of it in order that it should be quite exceptional for a person to lose Health Insurance and Pension rights by reason of unemployment" (Minutes of Evidence, Sixth Day, p. 210, Qn. 1908).

about half a million) of insured spinsters aged 45 to 65 in Great Britain.* Only 999, or four-fifths of 1 per cent. of 132,777, ceased to be insured during 1936. There were 968 out of these 999 who ceased to be insured because they did not qualify for extended insurance. The proportion of four-fifths of 1 per cent. is not only small numerically, but also no higher than the corresponding rate amongst men in those Societies, and only a fraction of the corresponding rates (5.6 and 3.9 per cent.) amongst married women and widows respectively. A further interesting feature of the movement in the membership of these Societies during 1936 is that, as regards spinsters, the new entrants or re-entrants into insurance over age 45 exceeded the lapses by nearly 50 per cent. It is reasonable to assume that the majority of these additions to the Societies' membership were re-entrants, i.e., women who had lapsed from insurance in previous years, but succeeded in re-entering insurable employment in spite of their advanced ages.† It cannot be said that these figures show that spinsters aged 45 to 65 are forced to give up insurance in large numbers, or that if for any reason they do drop out of insurance, they find it impossible later to re-enter it.

60. Further, the numbers of the members (men and women) of the sample Societies who reached the end of the "free insurance period" during 1936 have been analyzed by the Departments in order to ascertain what proportions of them did qualify for extended insurance and had their Pensions rights preserved (or, in other words, were saved from dropping out of insurance). The figures are set out in the following Table.

Percentages of persons reaching the end of the "free insurance period" (other than those who became voluntary contributors) who entered extended insurance.

(Sample Societies.)

Age Group.			Spinsters.	Widows.	Married Women.	Men.
			(1) Per cent.	(2) Per cent.	(3) Per cent.	(4) Per cent.
45-50	...	...	22	3	7	42
50-55	...	...	27	8	8	53
55-60	...	...	45	9	14	62
60-65	...	...	61	13	21	79

* We are informed by the Ministry of Health (Appendix to Minutes of Evidence, p. 230, Paper 82) that the combined total of spinsters and widows aged 45 to 65 in the 30 above Societies in 1936 was 29 per cent. of the total of the same classes insured in the whole of Great Britain in 1936. We do not think that we run any risk of great error in treating the 29 per cent. as applying to spinsters and widows separately, and we have therefore treated 132,777 as being 29 per cent. of the total number of insured spinsters aged 45 to 65 in Great Britain in 1936, and so have arrived at the figure of about half a million in the text.

† See Minutes of Evidence, Sixth Day, Qn. 1937.

It will be seen that, though the percentages of spinsters availing themselves of the extended insurance provisions are considerably higher than those of widows and married women, they are noticeably lower than those of men, and are low at ages under 55. At first sight these proportions would appear to give support to the contention that the provisions of the Act of 1935 were of relatively less value to spinsters than to men because of the inability of spinsters to satisfy the test of ten years' continuous insurance, and we proceed to examine that contention.

61. As already mentioned (see para. 19) in order to qualify for extended insurance, two tests have to be satisfied (a) that the insured person had been continuously insured for 10 years at the beginning of the free insurance period, and (b) that the insured person had proved incapacity for work or genuine unemployment (i.e., that he or she was available for insurable employment but unable to obtain it) during practically the whole of the free insurance period. It may be stated in a general way that where the insured person, by reason of ill-health, is incapable of accepting insurable employment during some part of the free insurance period, no difficulty arises as regards proof of such incapacity, and it is therefore not necessary for us to deal further here with the question of incapacity. We therefore go on to consider (b) so far as it relates to the proof of genuine unemployment.

62. The analysis in Table III of the Ministry of Health memorandum,* which is based on figures obtained from the above 30 Approved Societies, shows that about 52 per cent. of the spinsters over age 45 in the sample Societies who lapsed from insurance in 1936 had been insured for less than 10 years and therefore could not satisfy condition (a). Many of the spinsters included in the 52 per cent. no doubt first entered insurance more than 10 years ago but have been in and out of insurance since their first entry, with the result that the last spell of insurance is less than 10 years, though the total length of their insurance since first entry is considerably more than 10 years. No direct evidence on this assumption is available, but it appears to us (see para. 59) to be improbable that large numbers of spinsters first entered insurable employment at ages 35 and over. Taking into consideration, however, the fact that continuous insurance is not inconsistent with unemployment,† the rule requiring that the period of 10 years' insurance prior to the free insurance period should be continuous if extended insurance is to be granted does not seem to us, in general, unfair.

* Minutes of Evidence, Sixth Day, p. 201.

† In fact, on the basis of the evidence that was given to us, we deduce that, in an extreme case, the condition of 10 years' continuous insurance might be satisfied by the affixing of as few as 60 stamps (possibly representing only 60 single days of work) during the whole period.

63. We think that upon the basis of the figures in col. (5) of the Supplement to Table V of the Ministry of Health memorandum (see Appendix to Minutes of Evidence, p. 231), it is fair to conclude that of the above 52 per cent. about half voluntarily left insurable employment, for reasons which may, we think, be derived with sufficient accuracy from the same Supplement, viz., before the end of the free insurance period, either they had taken up business on their own account, or they were living on some pension or private income, or they had given up employment in order to live with or to assist relatives, or they had gone abroad, or they had entered non-insurable employment. Thus they voluntarily left insurance, but it was open to them to become voluntary contributors, if they wished and if they were able to afford it.

64. We come now to the remainder, viz., 48 per cent. of the spinsters over age 45 in the sample Societies who lapsed from insurance but had been insured for at least 10 years. As they had all been insured for at least 10 years, they were able to satisfy condition (a), but none of them proved genuine unemployment so as to satisfy condition (b). We think that upon the basis of the figures in col. (9) of the above-mentioned Supplement to Table V, it is fair to conclude that rather more than half of them left insurance voluntarily. It was open to these also to become voluntary contributors if they so wished and were able to afford it.*

65. As regards the balance, being rather less than half of the 48 per cent., it is not possible to give a precise answer to the question whether any, and if so, how many, of them could have proved genuine unemployment as required by condition (b). They fell out of Health and Pensions Insurance because their Health and Pensions cards during their free insurance period were not sufficiently stamped or "franked." The cards were not stamped because they were not employed: but the cards would have been "franked" if they had gone to the Employment

* Figures were extracted from the records of the majority of the same 30 Approved Societies for the purpose of ascertaining what proportions of the spinsters, men and widows between the ages of 45 and 65 became voluntary contributors in 1936 in order to avoid lapse from insurance. The percentages are set out in Table VII in the Ministry of Health memorandum (Minutes of Evidence, Sixth Day, p. 203), the percentages for spinsters being there shown to be:—47 per cent. at ages 45-50, 57 per cent. at ages 50-55, 76 per cent. at ages 55-60, and 84 per cent. at ages 60-65. As to the further question whether spinsters over age 45 who have become voluntary contributors are able to continue their insurance, we were informed by the Ministry of Health (see Minutes of Evidence, Sixth Day, Qns. 1965-70 and Paper 64, p. 203, para. 52) that in the same 30 Approved Societies the total proportion of such spinster voluntary contributors who lapsed from insurance in 1936 was 0.7 per cent. Of the 96 who constituted this 0.7 per cent. it was possible to trace 71, and of them 34 said that they were unable to afford to keep up the payment of contributions.

Exchange, applied for work, failed to get it, and then presented their cards to be "franked." The question whether any particular one of the spinsters here in question could have proved genuine unemployment under condition (b) may therefore be stated in the form, "Could she have got her Health and Pensions cards 'franked'?" We think that in some instances the answer is, "Yes, she could, but she did not go to the Employment Exchange."* This may have happened because she lived at some considerable distance from the Exchange, or because she thought, and perhaps rightly, that she would not hear of a job if she went. Another possibility is that she was ignorant of the importance of getting her card "franked": the evidence which we have heard leads us to believe that such ignorance exists, but is disappearing. We think, in short, that in some instances the spinster here in question falls out of insurance because she neglects to get her card "franked" although she had a right to have it "franked." We are not able to conjecture to what fraction of the above balances these instances amount, but we do not think that it can be a very large one, and in any event it must be a negligible proportion of the total number of insured spinsters.

66. We are, on the whole, of opinion that the claim that the existing provisions for the retention of insurance rights are inadequate is not established.

Loss of Pension rights through leaving insurable employment in order to assist relatives.

67. We have given special consideration to the case, so frequently and prominently brought before us in evidence, of the spinster who voluntarily leaves employment in order to assist relatives (usually elderly or infirm relatives, but sometimes a widowed brother with a young family), and who for that reason lapses from her Health and Pensions Insurance. She may desire later to return to work and may then find that she is unable to do so by reason of her age and her long absence from employment. If she does later succeed in re-entering insurable employment she is treated in the same way as if she had never previously been insured, so that if she falls out of employment again within ten years of re-entry, she is unable to avail herself of the extended insurance provisions, even though she may have had 20 or more years of insurance prior to her leaving work and dropping out of insurance.† By sacrificing her own

* In certain circumstances, alternative evidence, other than the presence of "franks" on the Health and Pensions card, is accepted as proof of genuine unemployment (see Minutes of Evidence, Sixth Day, Qns. 1890 *et seq.*).

† We doubt whether it is administratively possible to relax the rule as to ten years' continuous insurance in favour of this class of spinster without doing the same for other women also, and, as we have already said (paras. 58, 66), the rule seems to us to be justifiable.

prospects for the sake of others, she may have lost the opportunity of making adequate provision for her own later years. When her unselfishness leads to this result, her lot must command sympathy, and we were not surprised that more than one witness called our attention to it. It is said that many spinsters fall within this class and that the greater number of them cannot afford to become voluntary contributors and do not re-enter insurance.

68. We shall deal first with the question how many spinsters fall out of insurance for the above-mentioned reason. Table V of the Ministry of Health memorandum* relates to 528 spinsters aged 45 to 65 who, whilst they were employed, were contributors to Health and Pensions Insurance and who lapsed from insurance in one year (1936). Enquiries made by Inspectors of the Ministry of Health supplied the information on which the Table is based, and it will be seen that of the 528 the number who gave up employment in order to look after relatives was 76. The total number of spinsters between 45 and 65 in the above 30 Approved Societies at the beginning of 1936 was 132,777. In order to form an estimate of the total number of spinsters who lapse from insurance in one year because they leave insurable employment in order to live with or to assist relatives, there are two increases to be made of the above figure of 76. First, it must be increased to the corresponding figure for all insured spinsters aged 45 to 65. Secondly, it must be increased to include spinsters aged under 45 who lapse from insurance for the same reason. Since the spinster membership of the sample Societies is about 29 per cent. of all insured spinsters,† it may be estimated (if the sample is truly representative on this point) that the total number of insured spinsters aged 45 to 65 who lapsed from insurance because they left insurable employment in order to look after relatives in 1936 was about $76 \times \frac{100}{29}$

or roughly 250. No statistical evidence was given to us regarding lapses from this cause at ages below 45, but it is probable that the bulk of spinsters who leave their employment for this purpose leave between the ages of 45 and 65. We have not found it possible to estimate the total number of all ages who leave employment for this purpose, but on the evidence before us we conclude that it cannot amount to more than a small percentage of the half-million‡ of insured spinsters who are between the ages of 45 and 65.

69. We have two further observations to add. First, in addition to the number indicated above, others leave insurable employment to look after relatives, but continue insurance as

* Minutes of Evidence, Sixth Day, p. 202.

† Appendix to Minutes of Evidence, p. 230, Paper 82.

‡ See footnote * to para. 59.

voluntary contributors and so preserve their Pension rights. We cannot estimate the number of those who, having left insurable employment for this purpose, continue as voluntary contributors, since no direct evidence on this point is available.* Secondly, with regard to the allegation that spinsters who go home to assist relatives are not able subsequently to re-enter insurance, the same investigation referred to above showed that within the period of less than two years between lapse in 1936 and the date of the investigation in August, 1938, 10 out of the 76 spinsters aged 45 to 65 who dropped out of insurance for this cause had already re-entered insurance, i.e., about 13 per cent. If these 76 cases were investigated again in some later year, it seems reasonable to assume that it would be found that some others of them had re-entered insurance by that time.

Difficulty of retaining or regaining employment after middle age—Falling out of insurance.

70. We come now to a point on which a number of witnesses addressed us, viz., the prospects of the spinster of 55 or more as regards employment. The evidence shows that from 55 onwards the risk of her losing employment is a steadily increasing danger and the fear of it overshadows the minds of many such women. If a business is re-organized and some women employees have to be dismissed, the elderly will probably be the first to receive notice, except perhaps a very few holding important posts for which a long experience in the work is an indispensable requisite. In these difficult times a business may have to start manufacturing new products or to adopt new methods of manufacture if it is to survive, and the elderly employee, who naturally finds it more difficult than a younger woman to adapt herself to the new work, is likely to be replaced by someone who is younger. This danger of falling into the ranks of the unemployed after 55 is not confined to spinsters engaged in manual labour, but threatens also those in other occupations, e.g., clerks or shop assistants.

71. An analysis by the Ministry of Labour of employees covered by private pension schemes† reveals that the normal pension age, in many cases, comes earlier in the life of women than of men and that more women than men receive a pension before the age of 65. A Table included in that analysis shows that only a very small percentage of men receive a pension before 60, viz., of those working as clerks or salesmen or in similar jobs, 3.3 per cent., and of those doing manual work, 0.6 per cent.; but the corresponding figures for women are 39.6 and

* See, however, the note to para. 64 regarding the proportion of spinsters generally who become voluntary contributors in order to avoid lapse from insurance.

† Minutes of Evidence, Fifth Day, pp. 151-2.

18.3 per cent. The Table also shows that the percentages of workers in the above two classes who have a normal pension age of 55 or less are as follows, viz., 0.4 and 37.2 per cent. of the men and women respectively working as clerks or salesmen or in similar jobs, and 0.3 and 14.2 per cent. of the men and women respectively doing manual work. It would thus be fair to say that the evidence derivable from voluntary pension schemes goes to show that women are considered to arrive at the age for pension and retirement sooner than men.

72. It is impossible to say in a general way that women, married or unmarried, are or are not unfit for work at 55. The answer must depend on the type of work and the physical condition of the woman. It is probable that most women who have had the necessary nourishment and leisure in their lives are still fit for work at 55. On the other hand, we feel sure that many are unfit at that age because the conditions of their life have been too hard. In some occupations women are less fit to continue after the age of 55 than in others. Thus, 55 is the normal retiring age for nurses under voluntary pension schemes, and that pension age has, no doubt, been fixed at 55 because the work of a nurse makes large and constant demands upon all her energies.

73. As regards the comparison between men and women, if we leave out industries in which men predominate and consider those in which both men and women are largely employed, their respective rates of unemployment are said by the Ministry of Labour* to be usually similar. The chance of getting back into employment after they have lost it decreases both for men and for women as they get older and the Ministry of Labour, at the end of their memorandum No. 2, say,† "It is not intended to imply that the difficulties encountered by elderly spinsters in retaining or regaining employment, and described in this memorandum, are not equally common amongst elderly members of other classes." On the other hand, the rise in the rate of unemployment between 45 and 64 is stated by the Ministry of Labour in their memorandum No. 1 to be somewhat more rapid amongst spinsters than amongst men,‡ and other figures in the same memorandum suggest that between those same ages it is more difficult for spinsters than for men to regain employment.§

74. Some light on the matter is derivable from statistics which relate to falling out of insurance. The Ministry of Health have supplied us with a Table showing the numbers of men, spinsters, widows and married women in the 30 sample Approved Societies

* Minutes of Evidence, Fifth Day, p. 136, Paper 60, para. 4.

† Minutes of Evidence, Fifth Day, p. 151, Paper 61, para. 8.

‡ Minutes of Evidence, Fifth Day, p. 136, Paper 60, para. 4.

§ Minutes of Evidence, Fifth Day, p. 137, Paper 60, para. 12.

ceasing to be insured for Health and Pensions by reason of lapse, and not of death or marriage, between the ages of 45 and 65 in 1936.* If we combine the figures for lapses from ordinary and extended insurance (this is not done in the Table) and if we express the movement, whether it be lapse, or entry or re-entry, as a percentage of the total number of insured persons both in ordinary and in extended insurance in the age group at the beginning of the year, the result is as follows.

Rates of movement in the 30 sample Approved Societies in 1936, expressed as percentages of the total numbers in each age group and status at the beginning of the year.

Age Group.	Cessation of insurance by lapse.				Entry or re-entry into insurance.			
	Spin- sters. (1)	Widows. (2)	Married Women. (3)	Men. (4)	Spin- sters. (5)	Widows. (6)	Married Women. (7)	Men. (8)
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
45-50	1.1	4.5	6.8	1.0	1.4	8.6	6.2	1.2
50-55	.9	4.0	5.8	.8	1.3	7.1	4.5	1.0
55-60	.5	3.8	4.7	.7	1.1	5.0	3.0	.9
60-65	.3	3.2	3.1	.5	.2	1.1	1.0	.3

Notes.—(1) The year 1936 was taken because it was the latest year for which figures were available. It was probably a little easier to re-enter employment in 1936 than in some other recent years.

(2) The percentages in the above Table relate only to the year 1936: thus, the percentage 1.1 is the percentage of the spinsters in the age group 45-50 at the beginning of 1936 who lapsed from insurance during that year. If in some later year, say in 1938, it were ascertained what percentage of the same body of persons had lapsed from insurance in the years 1936 to 1938, the figure would, of course, be higher than 1.1.

The percentages of lapses in the above Table for spinsters are lower than the percentages for widows and married women and are very similar to the percentages for men. Indeed, between 55 and 65 the percentages of lapses for spinsters are lower than the percentages for men. A comparison of the rates of entry or re-entry with the rates of lapse in the Table set out above suggests that a considerable proportion of those who lapse succeed in re-entering insurance. Both sets of facts, viz., those as to lapsing from insurance and those as to re-entering it, have to be borne in mind in considering whether the rate at which spinsters between 45 and 65 or between 55 and 65 fall out of insurance is abnormal and entitle them to special treatment in the matter of pensions.

* Appendix A to Ministry of Health memorandum (Minutes of Evidence-Sixth Day, p. 206).

75. Upon a consideration of all the evidence we think on the whole that it is somewhat harder for the spinster of 55 to 65 than for the man of the same age to retain or to regain employment, and that this statement would hold good also of the age group between 45 and 55. Further, in certain occupations, the spinster of 55 or more has very little chance of regaining employment if she loses it.

76. If in regard to the same matter of retaining employment we try to compare spinsters of 45 to 65 not with men but with other women, then the figures relating to Unemployment Benefit and Unemployment Allowances* show that spinsters of these ages fare worse as regards employment than younger women.

77. As regards these spinsters of 45 to 65 and widows or married women of the same ages, so far as lapse from insurance can be taken as an indication of loss of employment, the figures set out in para. 74 above would go to show that between those ages the percentage of unemployment is lower amongst spinsters than amongst widows or married women of the same ages, and this is confirmed by the following figures supplied by the Ministry of Labour.†

Age Group.	Numbers of persons insured against unemployment and actually unemployed, expressed as percentages of the numbers insured against unemployment.	
	Spinsters (at 2nd May, 1938).	Married women and widows (at 28th February, 1938) (approximate).
	Per cent.	Per cent.
45-54	12.0	21
55-59	18.4	22
60-64	22.4	26

78. We think, however, that we cannot conclude unreservedly that the spinsters at those ages are better able to retain their employment than the widows or the married women to the extent which the figures in para. 77 above or those in cols. (1) to (3) in the Table in para. 74 above would, at first sight, suggest. In the first place, as to the figures in para. 77 above, of the spinsters aged 45 to 65 who are employed only about one-third are insured against unemployment.‡ In the second place,

* Minutes of Evidence, Fifth Day, p. 136, Paper 60, para. 5.

† Minutes of Evidence, Fifth Day, p. 135, Paper 60, para. 4.

‡ Of the remaining two-thirds, the statistics in col. (5) of Table 3 of the Ministry of Labour memorandum referred to above enable us to deduce that the numbers in receipt of Unemployment Allowances, the only form of assistance to which they are entitled in the event of their falling out of employment, amount only to the astonishingly small figure of less than one per cent. We have no corresponding figures for married women and widows.

as to the figures in para. 74 above, the lower percentage of unemployment amongst spinsters, as compared with married women and widows is, as we think, to be explained in some measure on the following grounds which are suggested in the Ministry of Health memorandum.* The widow is usually in receipt of a pension which continues in the event of unemployment, and the married woman can look to a husband to support her and to pay a contribution which covers her contingent right to a widow's pension. But the spinster of 45 to 55, and even more the spinster of 55 to 65, may be unable to afford "to sacrifice wages for sick pay".† Moreover, she may be afraid of losing her work altogether, if she stays away; and, unlike the widow, she has no pension to fall back upon. In most instances, therefore, the incentive to remain at work or to try to re-enter employment is much stronger in the case of the spinster than of the widow or the married woman, though it must obviously be very difficult to measure the influence of such an incentive. Evidence has been given before us to the effect that the spinster of 45 to 65 for these reasons will often go to work when, on the grounds of health, she ought to remain at home.‡

79. One other comparison derivable from the Table in para. 74 perhaps deserves attention. The percentages for spinsters in that Table are practically the same as the percentages for men. We think that this may be an example of similar causes producing similar effects. The man and the spinster between 45 and 65 are alike in these respects: they have no pension, they dread the consequences of falling out of employment, and they need to keep in work in order to support a home. In other words, the circumstances which form the background, as it were, to these lapse rates exhibit more similarity when spinsters are compared with men than when they are compared with widows or married women.

Condition of health of spinsters over age 55.

80. We heard a considerable volume of evidence about the health of spinsters from 55 onwards. It was given in part in order to show that working women generally suffer from impaired health by the time that they had reached that age, and in

* Minutes of Evidence, Sixth Day, p. 200, para. 22. See also p. 213, Qn. 1952.

† Spinsters' Charter (Appendix A), para. 18.

‡ In paras. 63 and 64 we have pointed out that more than half of the spinsters who lapse from insurance between the ages of 45 and 65 appear to do so because they voluntarily leave insurable employment. We have no corresponding information in respect of married women and widows.

part in order to show that they are worse off than widows or married women. So far as official statistics are concerned, paras. 38 to 42 and, in particular, the Table in para. 41 of the report of the Government Actuary* indicate a marked deterioration in health from 55, which applies to all women. The Table, which we reproduce here, shows the average number of sick persons who had drawn sickness or disablement benefit continuously for a year or more per 100 persons in the various groups.

Age Group.	Spinsters and Widows.			Married Women.			Men.		
	1930.	1933.	1936.	1930.	1933.	1936.	1930.	1933.	1936.
45-50 ...	3	3	4	4	4	5	1	2	2
50-55 ...	4	5	5	6	7	8	2	3	3
55-60 ...	5	7	7	9	9	12	3	4	4
60-65 ...	8	9	10	13	13	17	5	6	7

These figures show a substantial increase in the percentages in each age group as between 1930 and 1936. This observation applies to all these classes in the above Table and not merely to the spinsters and widows.

81. We cannot use these figures for the purpose of comparison between spinsters and widows, as those classes are not computed separately. For that purpose we have to derive such help as we can find in the rest of the evidence. We were told by more than one witness that the physical hardships of life over 55, whether springing solely from bodily disorder or indirectly from worry and anxiety, are greatly lightened for the widow by her pension of 10s. It enables her to look after her health, when the unpensioned spinster would have to struggle on in disregard of bodily pain or weakness. We are sure that this must often be true, but it is difficult, none the less, to say how far the lot of the pensioned widow in general is easier as regards health after 55 than the lot of the unpensioned spinster.

82. Rates of mortality cannot be regarded as a conclusive test in a matter of this kind, but using them for what they are worth, the only evidence before us in which the rates of mortality for the different classes of insured women are compared is in a Table in the Ministry of Health memorandum.† Column (4) in that Table shows what percentages of the women

* Minutes of Evidence, Fifth Day, pp. 171-2.

† Minutes of Evidence, Sixth Day, p. 199, Table I.

aged 45 to 65 who were insured at the beginning of 1936 died during the year. The figures are as follows:

Age Group.			Death-rates in 1936 in sample Societies.		
			Spinsters.	Widows.	Married Women.
			(1) Per cent.	(2) Per cent.	(3) Per cent.
45-50	...	...	·6	·7	·6
50-55	...	...	·8	·9	·8
55-60	...	...	1·1	1·3	1·0
60-65	...	...	1·4	1·8	1·6

The figures are slightly lower for spinsters than for widows, and, except for the age group 55-60, are no higher for spinsters than for married women.

83. This evidence regarding a sample of insured persons aged 45 to 65 in the single year 1936 is confirmed by a Table in the Government Actuary's report* to us showing the relative probabilities of surviving five years among elderly spinsters, married women, and widows, based on the mortality rates of the general population of Great Britain in the years 1930 to 1932. That Table shows that there is little difference between the survival rates of spinsters, married women, and widows, but that there is a smaller chance of survival in the case of widows than of spinsters. The mortality rates implicit in the figures in that Table are as follows. Of a thousand spinsters or married women aged 55 to 60 about 14 die in a year and of a thousand aged 60 to 65 about 21 die in a year, whilst the corresponding figures for widows are about 15 and 23 respectively.†

84. These Tables do not show any superiority in health of widows over spinsters after 55, though at the same time we do not doubt that her pension of 10s. a week often enables the widow to procure remedies and comforts which the spinster cannot afford.

The extent to which elderly spinsters have recourse to Public Assistance.

85. A further argument was based on the numbers of spinsters aged 55 to 65 who are in receipt of Public Assistance, either in their own homes (called domiciliary relief) or as inmates

* Minutes of Evidence, Fifth Day, pp. 170-1, para. 36.

† Appendix to Minutes of Evidence, p. 236, Paper 99(vii). The corresponding figures for men are higher, viz., about 19 and 29 respectively, but on the whole, as regards men and women who fall within the scope of the Contributory Pensions Acts, we are inclined to think that life after 55 is harder for spinsters than for men.

of public institutions, including mental hospitals. It was suggested to us, in effect, first, that the largeness of the numbers points to the need of something further being done for this class of spinsters, and secondly, that the resultant cost to the Local Authorities of such assistance would be largely saved if spinsters received a pension at 55, and that this saving should therefore be set off against the cost to the Exchequer of providing the pension.

86. Upon this subject it has not been possible to obtain figures from which definite deductions can be drawn, but such figures as we have do not seem to confirm the first of the two above suggestions. The figure of 6,615 was put forward by the N.S.P.A. as the total of spinsters aged 55 to 65 who were in receipt of domiciliary relief in the Spring of 1938 in 57 Public Assistance areas. This figure of 6,615 was based on information obtained from 57 Public Assistance Committees, whereas the total number of such Committees is 145 in England and Wales and 55 in Scotland. We propose to assume that the 57 areas from which the N.S.P.A. have obtained returns are fairly representative of the whole country in this respect, and on that basis it would appear that the number of spinsters aged 55 to 65 who were receiving domiciliary relief in the Spring of 1938 was about 21,000, or a little more than 5 per cent. of the estimated total number (*viz.*, 400,000)* of spinsters of that age group. The only figures which we have for the inmates of public institutions are contained in a Table which has been prepared by the Ministry of Health.† It relates to the areas of six Local Authorities, whose jurisdiction covers about 15 per cent. of the spinsters aged 55 to 65 in the whole country. Amongst other things, it gives the numbers of spinsters aged 55 to 65 who were in receipt of domiciliary relief and those who were in public institutions in each of the six areas in 1938. For various reasons, it is very difficult to draw from these figures any conclusion about the country as a whole, but we think that it would perhaps be reasonable to estimate that, if the inmates of public institutions were added, the above figure of 5 per cent. would be about doubled.

87. The suggestion that the grant of the pension to spinsters, *i.e.*, to insured spinsters, at 55 would mean the saving of funds now spent in Public Assistance seems to us to be subject to qualification, because many of the spinsters who receive Public Assistance are not insured and so would not get the pension. The Table to which we have just referred may not be true of the country as a whole, but so far as it goes it would show that,

* We are informed by the Ministry of Health that the total number of spinsters (insured and uninsured) aged 55 to 65 in Great Britain in mid-1938 was estimated to be a little in excess of 400,000.

† Appendix to Minutes of Evidence, pp. 228-9, Paper 75.

of the total number of spinsters aged 55 to 65 who are receiving Public Assistance (i.e., those in receipt of domiciliary relief and those in public institutions), less than one-third are insured and so would receive the pension. This observation is true of five of the six areas in that Table, as well as of the six of them taken together. If the question be asked why more spinsters of the ages 55 to 65 who draw Public Assistance are not insured, the answer seems to be as follows. Insured spinsters who are unemployed but not ill would normally draw Unemployment Benefit or Unemployment Allowances, and not Public Assistance. Neither Unemployment Benefit nor Unemployment Allowances are paid to anyone who is in receipt of sickness or disablement benefit, so that normally only such unemployed insured spinsters would resort to Public Assistance as, being in bad health and having no resources of their own, were compelled to resort to it for the purpose of supplementing any sickness or disablement benefit to which they might be entitled.

88. As regards the allegation that, if a pension were granted to spinsters at 55, there would be some saving in the payment of Public Assistance to spinsters between the ages of 55 and 65, we think there would be some such saving, but we cannot estimate how much it would be. We may illustrate it by the example of an unemployed spinster who is receiving disablement benefit of 6s. a week and also Public Assistance of (say) 14s. a week. If a pension of 10s. a week were granted to her at 55 but she then lost her 6s. a week disablement benefit (as she would lose it now on receipt of her pension at 65), the amount which she would receive from Public Assistance would be decreased, because the receipt of a pension would be taken into account (although the receipt of disablement benefit is not) in awarding a grant from Public Assistance funds. She might therefore receive 5s. instead of 14s. from Public Assistance funds, with the result that there would be a saving to those funds, but she would not be so well off.

89. Finally, as to the further suggestion that the grant of a pension to insured spinsters would substantially reduce the number of spinsters of those ages who are found in public institutions, including mental hospitals, the above-mentioned Table for the six areas in question shows that the uninsured spinsters of those ages in such institutions far outnumber the insured, viz., over four uninsured for every insured spinster.

The absence of any benefits in the case of the death of a spinster before age 65.

90. In the comparison of the pension advantages of married men and spinsters, it was pointed out that, if the married man dies before 65, though he gets no pension, his widow and his children get pensions, but, if the spinster dies before 65,

"nobody belonging to her will receive any benefits by reason of her payments, although she may have contributed any number of years".* It was also said that in this way the Exchequer is guilty of a practice similar to that which is condemned in private insurance companies, viz., the practice of "raising money" by "lapsed policies."† But if an insurance company agrees to pay an annuity to a client as from a certain age and also undertakes the obligation to return something in respect of the premiums to the client's next-of-kin in the event of the client not reaching that age, it charges a higher premium than if the contract with the client did not include that obligation. The contributions of the insured spinster towards a 65-70 pension are assessed on the basis that the Exchequer does not accept any such obligation to return any part of the contributions in the event of the spinster dying before 65. If the scheme had included such an obligation, the rate of contribution must have been increased. The actuarial basis upon which the contribution rate was fixed allows for what the Deputy Government Actuary described as the "benefit of survivorship", i.e., the Pensions contributions of those who die before 65 remain in the funds for the benefit of those who survive until that age. Whichever of the two possible ways of assessing contributions was adopted, whether there was or whether there was not to be any return of contributions in the event of the contributor's death before 65, the decision was liable to criticism, and we doubt whether the majority of spinster contributors would prefer to pay a higher Pensions contribution in order to ensure a return of contributions to someone else in the event of their own death before 65. Further, when it is said that the widow and the children of the insured married man who dies before 65 get pensions, but nobody belonging to the spinster who dies before 65 gets any benefits from her contributions, it must be remembered that the scheme which makes provision for the wife and children of the married man in the event of his death before 65‡ also provides that his Pensions contribution is double that of the insured spinster.

The claim that spinsters, like other classes of insured persons, in many cases have dependants.

91. We have considered the question of spinsters who give up their insurable employment in order to look after relatives, but this is only one aspect of a wider question to which we now turn, viz., how far do spinsters have to contribute to the

* Spinsters' Charter (Appendix A), para. 5.

† Minutes of Evidence, Fifth Day, p. 130, Paper 29, para. 10.

‡ It makes the same provision, of course, if he dies after 65, but we are concerned here only with insured persons dying before that age.

support of dependants and what effect does this have on the well-being of such spinsters? It is necessary to bear in mind that the test of dependant status which is applied in discussion of this question is apt to vary. For present purposes it will suffice to distinguish between what we propose to call the statutory and the non-statutory test.

92. By the statutory test we mean the test which is applied for purposes of Unemployment Benefit, Unemployment Allowances and Public Assistance, and which, for Unemployment Benefit, has been described for us by the Ministry of Labour, as regards women, as follows:—"Adult dependant includes an insured woman's husband if he is unable to work and she is wholly or mainly maintaining him, or any one of the following persons residing with her and wholly or mainly maintained by her: father or stepfather who is unable by reason of physical or mental infirmity to support himself: widowed mother or stepmother, mother who has never been married, or mother whose husband is permanently disabled and unable to work: a female person who has the care of her dependent children. It also includes in certain circumstances a female person not residing with her who is paid not less than 10s. per week to look after her dependent children. Subject to certain exceptions, the increase in respect of a female is not payable if the latter is in receipt of benefit herself or is in regular wage-earning employment or is engaged in any occupation ordinarily carried on for profit. The term 'dependent child' means any child or younger brother or sister who is wholly or mainly maintained by the claimant and (a) is under the age of 14 years, or (b) is between the ages of 14 and 16 and is either under full-time instruction at a day school, or is unable to receive such instruction by reason of physical or mental infirmity, or is unemployed and fulfils certain statutory conditions".* For Unemployment Allowances and Public Assistance the test of dependency is less rigidly defined, the grant being settled after consideration of the resources of the household of which the unemployed person forms a part, and to which her earnings, when employed, contribute in varying degrees.

93. In what we call the non-statutory test the word dependant has a much wider scope. Thus it would include the invalid sister of a working insured spinster, who under the statutory test is not a dependant at all, although her working sister may support her. It would cover the case of the spinster who expends the larger part of her earnings on the support of her relatives. It would also include a parent in receipt of an old age pension, to whom the daughter sent sums of money, etc., at more or less irregular intervals. The wide application of

* Minutes of Evidence, Fifth Day, pp. 136-7, Paper 60, para. 7.

the words in this more popular use is well illustrated in the memorandum of the London and National Society for Women's Service.*

94. The reasons for calling our attention to the matter may be summarized under three heads. It is said that (a) the spinster cannot be distinguished from the widow on the ground that the widow has dependants and the spinster has not, (b) the spinster often cannot provide for her own old age, because she has to spend so much on dependants, and (c) as a rule the dependants of the spinster are elderly people, whilst those of men, and of widows too, are often young children, so that, with the passing of the years, whilst the widow's or the man's dependants grow up and may, in their turn, be able to help as age decreases her or his wage-earning capacity,† the dependants of the spinster die and can do nothing for her, except when she has brought up younger relatives, such as the children of a widowed brother. The difficulty is to ascertain how far each of these propositions applies. There is substance in each of them in individual cases.

95. The only comparative figures which we have as to numbers of spinsters with dependants are in the Appendix to the first memorandum of the Ministry of Labour,‡ where spinsters, married women, and widows, in receipt of Unemployment Allowances in December, 1937, are compared from this point of view. The comparison only includes women of those three classes between 45 and 65 years of age who were in receipt of Unemployment Allowances, but it might reasonably be presumed that they were not less likely to have dependants than other insured women of the same age groups. The total number of such spinsters is given as 8,340. Of these, 7,660 had no dependants, i.e., only about 8 per cent. had dependants. The corresponding percentages for the two other classes are 28 per cent. for married women and 14 per cent. for widows. We have no evidence as to the number of men of the same age groups in receipt of Unemployment Allowances who have dependants, but so far as persons in receipt of Unemployment Benefit in the age group 55-64 are concerned, the Ministry of Labour informed us§ that in that age group almost 70 per cent. of men received dependants' benefit, mainly, of course, in respect of wives, and nearly 20 per cent. of the men received benefit in respect of children. For this same age group 55-64 the corresponding proportions of spinsters receiving benefit was 1.4 per cent. for any class of dependant and less

* Minutes of Evidence, Fourth Day, pp. 114-5, Paper 41, paras. 59-65.

† This, of course, would not apply to the wife of a married man.

‡ Minutes of Evidence, Fifth Day, p. 149, Paper 60, Appendix para. 11.

§ Minutes of Evidence, Fifth Day, p. 137, Paper 60, para. 7.

than 0.5 per cent. in respect of children. The above percentages are based on the statutory tests for the grant of Benefit or Allowances. For that reason it is true to say, both of the men and of the spinsters, but far more of the spinsters, that the above percentages do not fully represent the extent to which they, in fact, support or help to support dependants.

96. The memorandum of the London and National Society for Women's Service mentions a book by Mr. Seebohm Rowntree, viz., "Human Needs of Labour" (1937 Edition). In that book Mr. Rowntree refers to an enquiry which he made in 1919, when no legislation for the payment of dependants' benefit yet existed, amongst 13,637 women workers aged 18 and over in the industrial areas of 11 towns, and his statistics show that, of the whole 13,637 women, 12.06 per cent. had dependants, whilst of such as fell within the age group 36-40, 28 per cent. had dependants. Mr. Rowntree states that the percentage of women with dependants is higher in that age group than in any other. Examination of Mr. Rowntree's statistics, however, shows that a large number of these dependants were the dependants of employed married women or widows and he himself arrives at the following conclusion (pp. 104-6): "We ascertained (in 1919) that no less than two-thirds of the cases where women workers were responsible for the support of others were due to the death of the normal bread-winner, that is, the father or husband, and we pointed out that if these cases were met by legislative action, the proportion of women workers with dependants would be reduced to about 4 per cent. Since . . . 1921, pensions for widows and orphans have been granted and thus the responsibility of women workers for the maintenance of dependants has been materially lessened. Taking all the circumstances into account we should not be justified in assuming that more than a small minority of women workers are responsible for the complete or partial maintenance of dependants".

97. We wish also to refer to two further pieces of evidence relating to what we have called the non-statutory test. The London and National Society for Women's Service, in their memorandum,* say this: "Our experience, which is drawn from personal contact with thousands of them (i.e., self-supporting unmarried women) over a period of many years, leads us to believe that it must be a small minority who are not in some degree helping members of their family, and the percentage must be high of those whose responsibilities towards relatives have ruined their own lives". Another illustration of the non-statutory test is found in the answers to question 7 in the Questionnaire issued by the N.S.P.A. to about 800 spinsters aged 40 or more and resident in five areas (Bradford, Blackburn, Huddersfield, Bermondsey and Manchester), viz., "Do

* Minutes of Evidence, Fourth Day, p. 115, Paper 41, para. 62.

you wholly support or contribute to the maintenance of relatives or other dependants? ". The percentage of spinsters who were so doing in each of the five areas was not given to us, but the documents seem to show that on an average it was slightly under 30 per cent. of the number who answered the question in each area. Detailed examination of the individual replies showed that about 60 per cent. of those who stated that they were supporting dependants were only partially contributing to their support. The majority of the dependants were fathers or mothers, who presumably were pensioners.

98. Our conclusion upon the evidence as a whole is that, on the basis of the above non-statutory test fairly applied, there are considerable numbers of spinsters who contribute or have contributed towards the support of dependants: but we would point out that we derive this conclusion not so much from statistics as from the impression made upon us by the general evidence which we have heard.

99. As to points (b) and (c) mentioned above (para. 94), viz., (b) that the spinster often cannot provide for her own old age, because she has to spend so much on dependants, and (c) that as a rule the dependants of the spinster are elderly people, no statistical conclusion is possible on either of these two points. We are disposed to agree that, as a rule, the dependants of the spinster are elderly people, and we think that it must be true of some of the spinsters who contribute to the support of dependants that they thereby diminish their own resources and comfort in later years.

The allegation that there is an unusually large number of spinsters at the present time on account of the casualties in the Great War of 1914 to 1918, and that such " War spinsters " are entitled to pensions equally with War widows.

100. It has been suggested to us that the claim for pensions for spinsters at an earlier age is particularly strong at the present time, because there are more single women than at any other period in the past, largely owing to the deaths of unmarried men during the Great War of 1914 to 1918. An instance was cited before us of neighbours, engaged to men in the Forces; one of them married and when her husband was killed received, and is still receiving, a War widow's pension, whilst the other did not get married, her fiancé was killed and she still remains a spinster. The argument is therefore put forward that " War spinsters " are as much entitled to compensation as are War widows.

101. That there must be a number of women who were engaged to be married at the time of, or during, the War and, but for the death of their fiancés in the War, would now be

wives or widows, cannot be doubted. Apart from any difficulty about the identification of a "War spinster," it seems to us that the cost of a "War spinster's pension" would have to be met, not from the funds of the Contributory Pensions scheme, but from sums annually voted by Parliament, just as Parliament votes sums annually to pay the existing War pensions.

102. Such a pension would, however, compensate only a minority of the spinsters who might claim to be "War spinsters," since the majority of unmarried men who were killed during the War, if they had survived, would not have married for some years after the date on which they were killed, and at the time of their deaths had never met, or at any rate had not become engaged to, the women whom they would have married. The effect of the deaths of these men has been, it is suggested, that, when the women whom they would have married reached the normal marrying age, there were many fewer unmarried men to become their husbands, and hence their chances of marriage were substantially diminished. For this reason it is proposed that the compensatory pensions should not be confined to those women who can show that they are "War spinsters" because they can prove the death of fiancés, but should be granted to the whole class of spinsters whose chances of marriage have been thus diminished.

103. To this subject the Government Actuary has devoted a section of his report.* He shows that while, at the last Census in 1931, owing to the increase in the population there were more spinsters in the country than before the War, there were relatively fewer spinsters at the ages at which marriage prospects might be considered to have been affected by War deaths: in other words, at those ages there were numerically more, but relatively fewer, spinsters in 1931 than before the War, and there has been a more rapid growth in the numbers of married women and widows at those ages than in the numbers of spinsters. He analyzes the statistics of men as well as of women, and shows that there has been an increase in the number of marriages of men which has somewhat exceeded the deaths of bachelors during the War.

104. It would seem that the War had several effects on the marital condition of the population. In the first place, during its course it accelerated the rate of marriage, so that many men married who would not otherwise have done so, or would not have done so until later. Then it had a contrary effect, since by its destruction of life, largely of the unmarried, it diminished the number of potential husbands. Then after the War there was an increase in the marriage-rate above the pre-War level, particularly in the years immediately succeeding the War. It might, perhaps, be argued that this increase would have

* Minutes of Evidence, Fifth Day, pp. 172-3, paras. 43-9.

occurred whether the War had taken place or not; but, in reply to this, we understand from the Government Actuary that for many years prior to the War the proportion of women who remained unmarried had been steadily increasing. Whatever the explanation, however, it appears that women's chances of marriage increased in the years 1919 to 1931 (and we understand that this increase has continued up to the latest date for which statistics are available), and this must be borne in mind when it is suggested that the "War spinster" has not had as much opportunity of obtaining a husband as her predecessor before the War.

105. Finally, we may add that, if it is suggested that there is no need to identify any spinster as a "War spinster", but that all spinsters of a certain age group should receive a pension at some specified age because of the effect of the War on the marriage prospects of that age group, we doubt whether this consideration should be allowed to affect the decision of the question whether the pension age for all spinsters should be reduced to 55.

The competition of the pensioned widow in industry.

106. Reference was made more than once to the sense of grievance which the unpensioned spinster may feel because the widow who is competing with her in the labour market receives a pension. The last Census showed that there are about 300,000 employed widows in industry, and the majority of them no doubt have pensions. The competition of the widow does not, of course, arise from the fact that she receives a pension. If she finds it necessary that she should work to supplement her pension, she would not find it less necessary to work if she had no pension. We tried to find out whether the widow is enabled by her pension to "undercut" the spinster, either by offering to take a lower wage than the wage which would be offered to the spinster, or by accepting a poorly-paid job which the pensionless spinster could not afford accept: but our impression is that this does not happen to any appreciable extent. We were told by the Ministry of Labour that widows are preferred as cleaners,* but this preference does not arise from their being prepared to take a lower wage.

107. It is natural that the spinster should have a sense of grievance when she has to compete against another woman, perhaps of her own age or younger, who has a pension, but the pension does not seem substantially to aggravate the competition which the spinster has to encounter from the widow.†

* Minutes of Evidence, Fifth Day, pp. 150-1, Paper 61, para. 6. See also p. 163, Qns. 1483-4.

† We have already pointed out (para. 50) that the competition of the pre-Act widow must gradually disappear, but as against this alleviation of competition from pre-Act widows in industry there must be set the fact that the number of post-Act widows in industry will increase.

PART III.

COST AND CONSEQUENCES OF LOWERING THE
PENSION AGE.

The cost of the reduction of the pension age, and the additional contributions required to provide the pensions.

108. As regards the cost of reducing the pension age for spinsters, we have already pointed out (para. 39) that, according to the evidence of the Government Actuary, if the amount which is derived annually from the 0.6d. part of the basic contribution were diverted from widows' and orphans' pensions and used to reduce the pension age of spinsters, it would be reduced to about 64½, if this diversion of part of the contribution were confined to the contributions of those spinsters who remain unmarried at the beginning of the pension, or to about 63, if the same part of the contribution of all insured women were so diverted.

109. The above calculation assumes that a certain amount of money which is at present used towards meeting the cost of widows' and orphans' pensions is made available for the reduction of the pension age and shows the reduction which is thereby attainable, but the Government Actuary has also made a different calculation,* by assuming that the pension age is to be reduced by a certain number of years and then determining how much that reduction would cost. We set out the results of the latter calculation in the following Table. It is not confined to a reduction of the pension age for spinsters only, but it includes calculations of the cost of reducing it for other women and for men also. He has dealt with the following classes of women in addition to spinsters, viz., in the second division of the Table with insured unpensioned widows and with insured married women, and in the third division of the Table with the uninsured wives of husbands who have reached 65 and who are in receipt of the pension. We discuss hereafter (paras. 112-115) the question how far the reduction in pension age would have to be conceded to such classes of women, if it were conceded to spinsters. The third division in the Table assumes that the pension age for men remains 65. If it were reduced, the number of wives who had pensioner husbands would necessarily be increased and the additional expenditure in the third division of the Table would also be increased by an amount which the Government Actuary describes as likely to be "of considerable magnitude" but the extent of which we are not able to estimate. The Table does not include all

* Minutes of Evidence, Fifth Day, pp. 168-9, paras. 23 to 25.

women, e.g., it does not include uninsured spinsters, but it covers all the classes of women within the scope of the Act of 1936 about whom the question of the reduction of the pension age is likely to arise. The Table is as follows.

Class.	Age for beginning of pension.	Approximate additional annual expenditure.	
		Now.	Ten years hence.
Insured spinsters	55	£ 4,400,000	£ 5,800,000
id.	60	1,900,000	2,600,000
Insured un pensioned widows and insured married women			
id.	55	4,700,000	6,200,000
	60	2,000,000	3,000,000
Uninsured wives whose husbands are receiving a pension			
id.	55	5,000,000	6,100,000
	60	3,500,000	4,200,000
Insured men	55	Over 36,000,000	Over 38,000,000
id.	60	18,000,000	19,000,000

110. The Government Actuary has also given the answer to the question, "If the additional cost of beginning her pension of 10s. a week at 55 or 60 instead of 65 were put on to the spinster, how much would she have to pay weekly to cover that pension, assuming that she begins to pay at the age of 16?" The weekly contribution required to cover her present 65-70 pension is, as we have already seen (para. 14), 3.9d. The corresponding contribution for her for a 55-70 pension would be 1s. 5d. a week and for a 60-70 pension nearly 9½d. a week.* Assuming the pension age to be reduced either to 55 or to 60, further demands would have to be made on the Exchequer in respect of spinsters' pensions, even if the contributions were increased to 1s. 5d. or to 9½d., because many spinsters who would become entitled to the pension at 55 or at 60 would not have paid the 1s. 5d. or the 9½d. contribution from the age of 16. If Health and Unemployment benefits ceased upon the beginning of the pension at 55 or 60, the Government Actuary states† that the Exchequer would save something on such benefits, and the rates of contribution for Health and Unemployment might be reduced, but the reduction would only be slight.

* Minutes of Evidence, Fifth Day, p. 169, para. 26.

† Minutes of Evidence, Fifth Day, p. 169, para. 28.

III. In reply to the point that the reduction of the pension age for spinsters must mean an additional burden upon the Exchequer, it was contended that against this increase there must be set both the saving in expenditure on pensions arising from the gradual diminution and final disappearance of the expenditure on the pensions of pre-Act widows, and the increase in the contributions arising from the three decennial increases of 2d. (men) and 1d. (women) in 1936, 1946 and 1956. In the light, however, of the estimates set out in Table V of the 1935 report of the Government Actuary* and those supplied to us by the Deputy Government Actuary in his letter of 21st October, 1938,† we are unable to accept the above contention. That information shows that, notwithstanding both the progressive diminution of expenditure on pre-Act widows and the decennial increases in the contributions, there will be a steady rise in the net cost to the Exchequer, both of widows' pensions taken separately and also of pensions as a whole.

Could a reduction in the pension age be limited to spinsters, or would it have to be extended to other classes of women?

III2. We come to the question how far it would be found possible to refuse to other classes of women any reduction in the pension age which had been granted to spinsters. Our answers to this question cannot be more than conjectural estimates of probabilities; it was obviously impracticable to invite representatives of such other classes to tell us what demand they would make as to the beginning of their pensions if the age for the beginning of spinsters' pensions were reduced.

III3. We think that, if the pension age of spinsters were reduced, it would not be found possible to refuse a similar reduction to any insured women. In the light of our findings in previous parts of this Report, we do not think that it would be possible to refuse it to them on the ground of substantial differences, as regards unemployment or economic conditions generally, between them and the spinsters. Further, they would claim that they should get the pension at the same age as the spinster, because they are paying the same Pensions contributions as the spinster. If it be suggested that this claim is based on identity of contributions and might be met by arranging for differences in the rate of contribution amongst insured women, we should be inclined to say that such differentiation must give rise to difficulties in administration (e.g., since spinsters are continually being transferred to the married women class, some married women become widows, and some widows become

* H.C. 82 (1935), pp. 28, 29.

† Minutes of Evidence, Fifth Day, p. 175, para. 14.

married women again through remarriage, there would be variations in the rate of contribution payable at different times by the same woman), but we do not feel able to decide whether it would be unworkable.

114. We wish to add a word about one or two classes within the class of insured women to which the preceding paragraph refers. Insured unpensioned widows and deserted or divorced wives are clearly comparable with spinsters as regards a claim for a reduction in the pension age, and the N.S.P.A., in fact, included them in their claim. As to the married woman who is in employment at the age of 55 or more, she must, in general, be working because the economic resources of her household are insufficient to permit of her remaining at home, and therefore she clearly has an equal claim with the spinster and the widow to a pension at an earlier age, if such a reduction were introduced in favour of the spinster.

115. The third division in the Table in para. 109 above raises much more difficult questions. It relates to uninsured wives whose husbands are receiving the pension. The demand for a pension at an earlier age for the uninsured wife of a pensioner, viz., at the date when his pension commences, arises from the fact that, if the pensioner loses his job on obtaining his pension or is out of work at the time, his income may be reduced to his pension of 10s. a week, on which it is impossible for his wife and himself to live, and he may have to apply to the Public Assistance Committee for help.* The question which seems logically to result from this economic difficulty is not whether his wife is entitled to claim a pension at an earlier age, but whether his pension of 10s. a week should not be supplemented. But what is right in logic may not be possible in practice. Let us suppose that a pension at (say) 55 were granted to the first two classes in the Table. If that were done, then the result would be that all insured women would be in receipt of the pension at 55. In those circumstances we think that the demand, which has already been put forward for a pension for the uninsured wife of the pensioner husband and which is sometimes qualified by a condition, variously formulated, that she should have reached a certain age, would immediately develop into an insistent demand that a pension should be granted to the wife of a pensioner husband upon her attaining the age of 55; and we are of opinion that, however irresistible the answers to the demand might be in logic, the demand would, in practice, be impossible to resist.

* It may be desirable to explain the position of the married man who is out of work when he begins to receive his pension. Up to that moment he would be receiving 17s. a week Unemployment Benefit plus 10s. a week in respect of his wife (or he would be receiving approximately the total of these two amounts as Unemployment Allowance). When he now receives his pension, the above sums cease to be paid to him.

The risks of "undercutting" and general lowering of wages amongst women and the risk of loss of employment by pensioned spinsters or of a reduction in their wages if the pension age of spinsters were lowered.

116. Several of those who addressed us (e.g., the representatives of the Association of Women Clerks and Secretaries and of the Open Door Council) submitted that the pensioned spinster of 55 or more would "undercut" other women workers, because her pension would enable her to accept a lower wage than they were prepared to take and so to underbid them in the labour market. We have already (paras. 106, 107) dealt with the suggestion that there is "undercutting" by pensioned widows, and have expressed our conclusion that it does not happen to any appreciable extent. The number of pensioned widows who are engaged in industry probably exceeds the number of insured spinsters between 55 and 65 (viz., 175,000), and we are struck by the absence of any substantial or weighty body of evidence to the effect that the "undercutting" prophesied as likely to ensue from the pensioning of spinsters at 55 has already been plainly observed to ensue from the pensioning of widows. Further, there does not seem to be much likelihood of such "undercutting" occurring in occupations where the age of the elderly spinster is a serious obstacle to her employment, e.g., women clerks, women shop assistants or similar classes of women workers.

117. There is another anxiety, felt by several of those who addressed us, which is very similar to the anxiety about "undercutting". They fear that, if the numbers of women workers who, by reason of their resources apart from wages, can afford to take a lower wage, were increased by some 175,000 pensioned spinsters, the result would be a widespread lowering of wages of women workers. But it is estimated that there are already nearly 1,500,000 married women and pensioned widows in the labour market;* they might have been expected to take a lower wage and so to have produced this anticipated depression of wages, if this fear were well-grounded, and therefore we should have expected symptoms of this forcing down of wages also to have appeared already in some clear and unmistakable way, and to have been brought to our notice, if this were a serious danger. We have no satisfactory evidence of its having occurred as yet, and we do not think that the risk of it would be substantially increased if 175,000 spinsters of 55 to 65 years of age received a pension. We are the more impressed by the absence of clear evidence of "undercutting" or the forcing down of wages, for the reason that the great majority of occupied women are not in organized trades and are not members of Trades

* Minutes of Evidence, Fifth Day, p. 174, Paper 59D, para. 3.

Unions and that " undercutting " and forcing down of wages are more likely to occur in unorganized trades than in those where most workers are Trade Unionists and the influence of the Trade Union can be exerted for the purpose of maintaining wage rates. We think it likely, although no clear evidence on the point was presented to us, that in the unorganized trades some employers offer to women less than a living wage because they know that some women who can supplement it by a pension will be more or less compelled to accept it. We would call attention to the view taken by the Ministry of Labour on this matter, viz., " Statistics are not available as to the extent to which widows in receipt of pensions may be able to accept low-paid employment at the expense of unmarried women, but there is no evidence of any preference in employment for widows as such (with or without pensions), except as cleaners; indeed, it is generally found that any preference is towards unmarried women, as being less independent and more reliable in attendance than married women".*

118. As to the individual spinster herself, what will the effect of a pension at 55 be, first, on her prospects of retaining her employment after 55? By those who assert that it will not lead to her being dismissed at 55 as unfit for work, it was said, " Look at the widow: she is not regarded as unfit, because she gets a pension "; and to that the retort was, " No, but everyone knows that she does not get the pension on grounds of age ". On the other hand, those who assert that it will lead to her being dismissed as no longer fit for work, said, " Look at the occupied woman of 65: when she begins to get her pension, she loses her job "; and to that the retort was, " That may be the result of a pension at 65; but it does not follow that it will be the result of a pension at 55 ". Miss White, on behalf of the N.S.P.A., was careful to object to the spinster's pension at age 55 being called an old age pension, but we think that, whatever its name, it would be generally regarded as an old age pension. More than one witness of experience took the view that the fixing of 55 for the beginning of the spinster's pension would be held to prove that she is then becoming unfit for work and so would lead to her ruthless dismissal, or that a considerate employer who would like to dismiss her after 55 on the grounds of age but who refrained from motives of kindness would feel that the grant of the pension made it possible for him to dismiss her without accusing himself of cruelty. Then, secondly, the question was raised, " If the spinster gets a pension at 55, will not her wage be reduced? " Several of the speakers before us took the view that it probably would. We have not found it easy to come to a conclusion on these two points. We think, on the whole, that,

* Minutes of Evidence, Fifth Day, pp. 150-1, Paper 61, para. 6.

as we are concerned here with a woman worker who has reached the age of 55, there would be some danger of such dismissal or reduction of wages, at any rate in the unorganized trades.

119. Our conclusion is that, whilst the fears that "undercutting", or a general depression of women's wages, or the dismissal of spinsters at 55, or the reduction of wages of spinsters of 55, will follow from the granting of a pension to spinsters at 55 cannot certainly be treated as groundless, yet these possible dangers should not be regarded as an obstacle to the granting of such a pension, if the granting of it should appear to be desirable on other grounds.

Should sickness and disablement benefits and Unemployment Benefit and Allowances for spinsters cease at the age at which their pensions begin?

120. If the pension were granted to the spinster at 55, the question must arise whether she shall be entitled also, as the pensioned widow is entitled, to continue her Health and Unemployment Insurance contributions (supposing her to be so insured), and, if the appropriate circumstances arise, to receive the corresponding benefits, viz., sickness benefit or disablement benefit in respect of Health Insurance, and Unemployment Benefit or Unemployment Allowances and possibly dependant's benefit in respect of Unemployment Insurance. This point was raised in the first Treasury memorandum and considered by the N.S.P.A. in their observations on that memorandum.* They there contend that, if the spinster gets a pension at 55, she should none the less be entitled, until the age of 65, to continue to contribute towards, and in appropriate circumstances to receive, both Health and Unemployment benefits. It is claimed that these terms have been conceded to the widow and cannot equitably be denied to the spinster.

121. The United Women's Insurance Society submitted to us† that, if the pension age were reduced to 55, the above contention should be accepted, but subject to this qualification, viz., that, if the concessions brought about an excessive number of claims, then the Health and Unemployment benefits should be payable only to the extent to which they exceeded the pension, and further that, if the rights of the spinster of 55 to 65 were so restricted, the rights of the widow also should be restricted in the same way. If the spinster, like the widow, received a pension and retained her Health and Unemployment Insurances, and then this restriction were introduced, there would inevitably, we think, be complaints both from the widow and from the spinster. First, the widow would complain that she was losing

* Minutes of Evidence, First Day, p. 10, Paper 15, para. 15.

† Minutes of Evidence, Second Day, p. 61, Paper 21, para. 6.

a right which has belonged to the pensioned widow since pensions were first given to widows in 1926. The effect of the restriction upon the weekly income of the widow may be illustrated thus. Suppose a widow without children to be now insured against unemployment. If she loses her work, she receives each week her 10s. pension and also 15s. Unemployment Benefit. If the restriction came into effect, she would receive 15s. only instead of a weekly total of 10s. plus 15s., or 25s. Then, secondly, we think that the spinster would complain of the restriction on the ground that, as she continued to pay Health and Unemployment contributions in full between the ages of 55 and 65, she ought, in appropriate circumstances, to receive sickness or unemployment benefit in full in addition to her pension. Further, administrative complications would probably arise if Health and Unemployment benefits had to be reduced as suggested above. We should not therefore be disposed to agree with the above submission.

122. With further reference to the question whether the spinster should be allowed to keep her Health and Unemployment Insurance beyond the age (say 55) at which she began her pension, it was suggested that, if the spinster of 55 got the pension but lost Health* and Unemployment Insurance, she might be worse off than she is at present with her Health and Unemployment Insurance. We propose therefore to consider what the position of the insured spinster is now and what it would be then, in the event of sickness or unemployment, assuming that she has no resources apart from what she gets from the public funds.

123. First, if she falls ill, she will receive, as things now are, either 12s. a week sickness benefit or 6s. a week disablement benefit. She will presumably apply for help to the Public Assistance Committee, and the principle on which Public Assistance is granted to an applicant who is already in receipt of sickness or disablement benefit is, we understand, that the first 7s. 6d. of such benefit is left out of account. The result of the application of this principle would probably be a grant from the Public Assistance funds of 9s. 6d. in supplement of the sickness benefit, or of 14s. in supplement of the disablement benefit, thus producing total weekly incomes of 21s. 6d. and 20s., respectively. If, on the other hand, the spinster in question got a pension of 10s. and lost the right to sickness or disablement benefit, the pension would be taken into account if she applied for Public Assistance, with the result that she would probably receive from the Public Assistance funds a grant of about 5s. which, added to her pension, would produce a weekly income

* By the loss of Health Insurance, we mean the loss of sickness and disablement benefits; we assume that she would retain the medical and other benefits which she retains now on receiving the pension at age 65.

of 15s. So long, therefore, as she was ill and unable to work, the change, i.e., the grant of a pension together with the loss of the right to sickness or disablement benefit, would be a change to her disadvantage. The pension would, however, run on, whether her health was good or bad, and whilst her health was good, the pension would be an improvement of her lot.

124. Secondly, as things now are, if she falls out of work she will receive 15s. a week Unemployment Benefit or, if for any reason she is not qualified for Unemployment Benefit, then upon application to the Unemployment Assistance Board she will receive about the same sum as Unemployment Allowance. If she got the pension of 10s. and lost the right to this Benefit or Allowance, the result would be as above, and she would probably have an income of about 15s. a week, of which 10s. came from her pension and 5s. from the Public Assistance funds. A means test is applied in respect of grants from the Unemployment Assistance Board as well as from the Public Assistance Committees, and the spinster who had been entitled to Unemployment Benefit without regard to her means would have to submit to a means test as to the above 5s. But subject to that qualification it is difficult to say that the change, i.e., the grant of a pension, together with the loss of the right to Unemployment Benefit or Allowance, would be a change to the disadvantage of the spinster. Her pension would run on, whether she was employed or not, and during employment she would clearly be better off than she is now, because she would then be in receipt of a pension of 10s. a week in addition to her earnings.

125. Our conclusion is that, whilst some spinsters, for shorter or longer periods of time, might not be so well off if they had a pension of 10s. a week but lost their Health and Unemployment Insurance, spinsters as a whole would gain by the change.

126. On the other hand, our attention was called to other possibilities which might arise from the continuance of Health and Unemployment benefits until 65, in addition to the granting of a pension at 55. First, it is said that the percentage of unemployment between the age for the granting of the pension and 65 might show a tendency to rise, because the insured person might then be as well off in respect of weekly income when unemployed as when at work, e.g., the unemployed spinster of 55 might then be drawing 10s. pension plus 15s. unemployment benefit (plus, perhaps, another 4s. or 5s. a week from a Trade Union). The answers to a Questionnaire, which were received by the N.S.P.A. from 943 spinsters in five areas in May, 1938, showed very low average earnings, viz., 14s. to 26s. a week.* Even if these figures are lower than the general

* Minutes of Evidence, First Day, p. 12, Paper 16, item 6.

average of wages of spinsters over 40 and allowance is made for that fact, it would seem to be true that a spinster aged about 55 in Great Britain would not be much worse off if she were unemployed and receiving 25s. a week than if she were at work. In such circumstances we think there might be some tendency for rates of unemployment among spinsters aged 55 to 65 to rise, but we think that this would come about in large measure from spinsters then feeling able to stay away from work by reason of ill-health, whereas now they struggle on despite ill-health, and perhaps damage their health further, because they have no resource in unemployment except to apply to the Public Assistance Committee, and so dare not fall out of work. Secondly, it was suggested that, if spinsters at 55 are to have what widows already have, viz., pensions and Health Insurance, a demand for Health and Unemployment Insurance will be made also by those pensioners whose pension rights begin at 65. We do not think that anyone can predict whether this would happen or not. It is a possibility, and that is all that can be said about it.

127. The pensions which are granted on the ground of age, viz., the pension at 65 and the pension at 70, are not accompanied by Health and Unemployment Insurance. The pension which is granted on the ground of status, viz., the pension of the widow, is not accompanied by exclusion from Health and Unemployment Insurance (if the widow is insurably employed) until the widow reaches the age of 65. Whatever be the principle underlying the continuance and the discontinuance of Health and Unemployment Insurance in the two above instances respectively, it would seem to be more consonant with its discontinuance than with its continuance in the event of pensions being granted to spinsters at 55. For such pensions would be granted on the ground of age rather than on the ground of status. The claim for such pensions is put forward to a substantial extent on the ground of conditions of health and difficulties as to employment, both of which alike are connected with age, and the proposed pension may therefore be described as partaking of the character of an old age pension.

128. On the whole, we are disposed to think that, if the pension were granted to spinsters at 55, they should cease, when they become recipients of the pension, to be insured, either in Health Insurance or Unemployment Insurance.

129. There are other matters consequential upon the reduction of the pension age for spinsters to 55 and the accompanying loss of Health and Unemployment Insurance to which we must shortly refer.

We shall deal with them first upon the assumption that the pension age for all women other than spinsters remains as it is

at present. First, as to the employed and pensioned widow: in view of the distinction between her pension and the proposed pension of the spinster at 55 to which we have already alluded, we think there would be nothing illogical in allowing the widow to continue her Health and Unemployment Insurance up to 65 as at present whilst the spinster was excluded from them upon receiving her pension at 55. It might, however, turn out that this differentiation, though maintainable in logic, was not defensible in practice. Secondly, the employer would have to discriminate between his female employees, because in respect of such as he ascertained to be spinsters and to have reached the age of 55, he would cease to deduct from the wage the worker's part of the Health or Unemployment contribution.

On the other hand, let us assume, in accordance with what we have said above (paras. 113, 114), that the pension age of all insured women would have to be lowered to correspond to any reduction (say, to age 55) in the pension age of spinsters. Then, as to the employed and pensioned widow, we think that it would be difficult to allow to her what was denied to other insured women as from age 55, i.e., to allow her to retain her Health and Unemployment Insurance after that age. Secondly, as on the above hypothesis all female employees alike would cease from Health and Unemployment Insurance at 55, no such discrimination between them as we have described in the preceding sub-paragraph would be necessary.

Other suggestions.

130. Over and above the complaints about the position of unmarried women under the Contributory Pensions Acts, on which we were asked to report, and apart from the proposal to grant pensions to spinsters at 55, one or two other suggestions were made by witnesses before us, the effect of which would be to benefit elderly spinsters. One was that the pension age should be reduced for all insured persons. Another was that, when an insured person became permanently disabled from work, he or she should receive an invalidity pension instead of disablement benefit under the National Health Insurance scheme. We think we should also report that the existence was brought to our notice, by a number of witnesses, of discontent amongst insured women with the present difference in the treatment of the funds under the schemes of Health and of Unemployment Insurance, viz., the men's and the women's funds are, as a rule, kept separate in Health Insurance, in which the claims to benefits are heavier from women than from men, but are not kept separate in Unemployment Insurance, in which the claims to benefits are heavier from men than from women. The discontent is based on the ground that the additional weight of the women's heavier claims falls entirely on to the women's contributions in Health Insurance, whereas the additional weight

of the men's heavier claims in Unemployment Insurance does not fall wholly on to the men's contributions but is borne in part by the women's contributions. It was suggested by some of the witnesses who put forward these views that it was inappropriate to deal in isolation with the complaints of unmarried women under the Contributory Pensions Acts and that a general review of the treatment of women under the Health and Pensions and Unemployment schemes was required. Another suggestion was that contributions and benefits should be graded according to wages and not according to the sex of the contributor. It was also suggested that the whole basis of women's wages needs revision, that women are underpaid, and that this underpayment has serious effects upon their health and so is indirectly the cause of the bodily ailments which are put forward as one of the reasons for the claim that the pension age for spinsters should be lowered. In our opinion our Terms of Reference do not extend to these matters, and we confine ourselves, therefore, to recording that they were brought to our attention.

PART IV.

UNINSURED SPINSTERS.

Introduction.

131. The second of the two aims of the N.S.P.A. relates mainly, if not wholly, to the spinster who has never been insured under the Contributory Pensions Acts, because she has never come within the scope of them, and the N.S.P.A. urge that she should be brought within some national contributory pensions scheme.* We have no doubt that there are many instances, in this class of spinsters, of hardship and suffering, especially in the later years of life, and that the class includes many spinsters who spent their earlier years in comfort and had no reason then to foresee the economic difficulties which have since befallen them. As regards the spinster of this class under 55 years of age on 3rd January, 1938, we think that the Act of 1937 largely satisfies the claim that she should be brought within a national scheme of contributory pensions. It entitles her to enter the scheme which it sets up at any time before she reaches the age of 40, and, if she was over 40 when the Act came into force, at any time up to, but not later than, 2nd January, 1939, provided that she was under 55 years of age on 3rd January, 1938.

132. Two grievances under the Act of 1937 were mentioned to us. One is that all women over age 55 are excluded from

* Spinsters' Charter (Appendix A), para. 25.

becoming contributors under the Act: the other is that every woman whose income exceeds £250 per annum is excluded from becoming a contributor under the Act. Before we deal with these two grievances we shall summarize briefly the provisions of the Act as to contributions and benefits.

133. The Act covers persons who have never been compulsorily insured as employed contributors or who have left insurable employment without continuing as voluntary contributors. For rates of contribution starting at rather higher minima than those charged in respect of employed persons (*viz.*, 1s. 3d. for men instead of 11d., and 6d. for women instead of 5½d.) but increasing with age at entry up to the limit of age 40 (at which age the contribution rates are 2s. 11d. (men) and 11d. (women)) any persons within certain income limits not already insured (with certain exceptions which need not be detailed for our present purpose) may become special voluntary contributors. The income limits to which we have just referred are as follows, *viz.*, the total annual income must not exceed £400 in the case of men or £250 in the case of women, of which not more than £200 (men) or £125 (women) is unearned income. Special voluntary contributors are entitled to pension benefits at the same rates as those paid to employed contributors. The pension benefits are broadly as follows. For a man, they include a widow's pension together with children's allowances, orphans' pensions, and old age pensions from age 65 for himself and his wife, whilst for a woman they are limited to an old age pension from age 65 for herself and orphans' pensions if she dies whilst a widow and leaves children under the statutory age. In addition, the contributor and his wife or widow have a right to an old age pension after age 70 without restriction as to means, residence or nationality. The Act also contains a provision that during the first year of the scheme, *i.e.*, from 3rd January, 1938, to 2nd January, 1939, the age limit should be 55 instead of 40 and all entrants should be accepted at the minimum rates of 1s. 3d. (men) and 6d. (women). This temporary concession was a very valuable one, involving the State in a capital liability provisionally estimated by the Government Actuary* at some £37,000,000 if 250,000 men and 100,000 women availed themselves of the offer. Its value to the individual is illustrated by the Government Actuary's statement† that for entrants at age 35 the weekly contributions equivalent to the benefits, both under and over age 70, which are provided, are 3s. 11d. (men) or 1s. 8d. (women), whilst for entrants at age 55 the corresponding figures are no less than 15s. 1d. (men) or 8s. 2d. (women).

* Cmd. 5415, para. 22.

† Cmd. 5415, para. 20.

Exclusion of women over age 55 from the provisions of the Act of 1937.

134. Representations were made to us on behalf of spinsters who were not under 55 on 3rd January, 1938, and so could not become voluntary contributors for a 65-70 pension under the Act of 1937. The suggestions made to us for a relaxation of the provisions of the Act did not relate to the age of 40, which is a permanent part of the scheme of the Act, but to the age of 55, which concerns only entrants before 3rd January, 1939, and so may be regarded as a transitory part of the Act. Further, they related only to spinsters, though, if any concession were made, it could hardly be confined to spinsters. It would apply to spinsters who were of ages ranging from 55 to 65 on 3rd January, 1938, but none of those who addressed us specified to which, if not to all, of the ages in that range of ten years they proposed that it should apply. That would not be an easy question to decide. Further, apart from the question of age, the class of beneficiaries might be difficult to delimit in other respects, e.g., whether the relaxation was to be in favour of all spinsters, or of such as had once been insured and had lapsed, or of such as had once been insured and had lapsed but had paid a substantial amount of contributions before they lapsed, or of such as under the previous Acts had no chance of insuring for pensions at all, or again whether any such class of spinsters, if admitted, should pay more than the 6d. which is the contribution fixed by the 1937 Act for all entrants before 3rd January, 1939. The line being drawn as the 1937 Act draws it, "under the age of 55 at the commencement of this Act", it would, no doubt, be true to say that there must be some hard cases, and that the more the gap between 55 and 65 was diminished by the raising of that figure of 55, the smaller the number of those hard cases would become. The 1937 Act is generously conceived as regards the admission of persons up to the age of 55, when the rates of contribution are compared with the eventual benefits, and whilst we sympathize with the appeal made on behalf of those who are older, we do not think that the Act can fairly be charged with injustice because it excludes them. Wherever the line is drawn, we think that it would always be possible to ask, with a fair show of reason, why it should not have been drawn somewhere else.

The limits of income for women entrants under the Act of 1937.

135. The other grievance which we have considered in respect of the Act of 1937 is what we may call the excluding income limit, which is fixed at £250 per annum in respect of women and £400 per annum in respect of men. It was strongly urged upon us that many spinsters whose incomes exceed £250 a year have

to spend much of their incomes on dependants.* The claim, however, which was submitted† was that the excluding limit for women ought to be the same as for men: it was not suggested that the Act of 1937 should be amended so as to provide benefits for the dependants of women. It was also represented to us that many elderly spinsters are not able to pay the rates which would be charged in the ordinary insurance market for an annuity of 10s. a week beginning at age 65.

136. The excluding limit applies at the date when a person seeks to become a special voluntary contributor under the Act, and therefore, e.g., a spinster who became such a contributor when she was earning £150 a year would not be subsequently excluded if her income subsequently rose to more than £250 a year.

137. The differentiation as between men and women does not seem to us to have been based on the ground of sex. The excluding limit appears to have been fixed at £250 for the woman partly by reason of the view that was taken of the extent of her responsibilities and partly by reason of the fact that the only benefit contemplated was the old age pension. If the man's responsibilities had been considered to be no more extensive, and if the only benefit contemplated as to him had been the old age pension, then the excluding limit for him would possibly have been less than £400.

138. The spinster with whom we are here concerned is one who has an income of more than £250 per annum at the time when she wishes to become a contributor under the Act of 1937. We think it safe to assume that the great majority of such spinsters do not enjoy an income of £250 per annum throughout their lives, but that their income is smaller than this in their earlier years. Some of them, therefore, might become, or might have become, voluntary contributors under the Act of 1937 or under the Acts earlier in date than 1937 respectively upon ceasing to be compulsorily insured by reason of their earnings rising to more than £250 per annum. But we are unable to estimate the number of such spinsters.

139. We propose to consider the position of the spinster whose income is at first less than £250 per annum, but rises later above that sum, and we shall assume (i) that she passed the £250 limit before the Act of 1937 came into force, and (ii) that she did not pass it until after that Act came into force.

140. As to (i), viz., the spinsters who had passed the £250 limit before the Act came into force and so never had an opportunity of taking advantage of it, on the evidence before us

* When we speak of dependants in this part of our Report, we are using the word in its non-statutory sense (see para. 93 above).

† See, for example, the memorandum of the London and National Society for Women's Service, Minutes of Evidence, Fourth Day, p. 116, Paper 41, para. 75.

we are bound to conclude that many of these spinsters to a varying extent have helped, and are helping, to support dependants. On the same evidence we conclude that some, by so doing, have deprived themselves of the means of making adequate provision for their own old age. The question which arises from the complaint now under consideration as regards this category of spinsters is whether the excluding limit of £250 is too low. We do not think that it can be declared to be too low simply because the corresponding limit fixed by the Act for men is £400. We think that the question must be answered by taking into account and estimating, as far as possible, how far these spinsters are responsible for the support of dependants and also how far they are able to pay the rates charged in the ordinary insurance market for an annuity of 10s. a week beginning at age 65. On the evidence before us we have found it extremely difficult to answer this question. We can only say that, as regards this category of spinsters, i.e., spinsters who had passed the £250 limit before the Act came into force, we think that the excluding limit might fairly have been fixed somewhat higher than £250.

141. As to (ii), this category includes all spinsters who are engaged in a non-insurable occupation (e.g., those working on their own account) and earning less than £250 per annum, after 2nd January, 1938. We are informed by the London and National Society for Women's Service* that they would expect a woman earning £250 to be of any age from 33 upwards. We think, therefore, that we may assume that the great majority of spinsters in this category do not attain to an income of £250 a year before the age of 35. It is, no doubt, true that the spinster of less than 35 is not, as a rule, much concerned about making provision herself for her own old age. But none the less, the Act of 1937 having been passed and being designed to help her to make such provision, we think that it is reasonable to expect her to avail herself of it and that she ought to do so. The contributions which she would have to pay would vary from 6d. to 8d. a week. As regards the spinster between the ages of 35 and 40, if she reaches that period of life without having yet attained to an income of £250 per annum, we think that what we have just said about the spinster under 35 applies *a fortiori* to her, viz., that she may reasonably be expected to avail herself of the Act of 1937. We think that the chance of her having to support, or to help to support, relatives is greater after 35 than before 35. The rates of contribution under the Act rise with the increase of age at entry, so that a spinster entering between 35 and 40 would have to pay a contribution varying from 9d. to 11d. a week. We have little or no evidence on the point whether the spinster in either of

* Appendix to Minutes of Evidence, p. 226, Paper 78, para. 19.

the two above classes in this category, whether she was or was not supporting, or helping to support, dependants, could afford to pay the contributions required by the Act. *Ex hypothesi*, she attains to an income of £250 per annum before the age of 40, and that being so, we think that the contributions should be within her means when she begins to approach that income level, if not earlier.

142. As to married women and widows who, in respect of income limit, come within the two above categories, many of the above observations may be applicable to them: but we do not propose to discuss this matter further, since the Terms of our Reference are limited to complaints about the position of unmarried women under the Contributory Pensions Acts.

This Report had reached the final stages of drafting when the lamented death of Mr. Shaw took place. He was present at our penultimate meeting and expressed himself as satisfied with the terms of the Report, which has received only minor verbal alterations since he saw it. We desire to place on record our deep personal regret at his death and our grateful appreciation of the valuable assistance which, by reason of his special knowledge of industrial and insurance questions, he was able to afford us throughout the course of our Enquiry.

We wish to express our warmest thanks to our Secretary and to our Assistant Secretary for all their help. They have placed their knowledge, their experience, and their skill unreservedly at our disposal throughout the whole of our work. We would also record our appreciation of their unfailing courtesy, assistance, and tact towards all with whom they have had to deal. Finally, we must add a word of special gratitude to our Secretary. His services have been invaluable and have laid us under a deep obligation to him, which we desire to acknowledge.

C. T. LE QUESNE (*Chairman*).
 JOHN JEFFREY.
 GEOFFREY PETO.
 ETHEL STRUDWICK.
 GWENDOLINE TRUBSHAW.

W. S. HOCKING (*Secretary*).
 S. GILBERT (*Assistant Secretary*).
 22nd March, 1939.

APPENDIX A.

THE SPINSTERS' CHARTER.

OUR AIMS IN BRIEF :—

1. To obtain Pensions for spinsters, who contribute to National Health Insurance, at 55 years of age.
2. To obtain a contributory Pension Scheme for spinsters who do not, at present, come under the National Health Insurance Scheme.

OUR CASE FOR EARLIER PENSIONS.

Compiled by Miss Florence White.

1. This Association, formed in 1935 and with a membership already of over 100,000, claims that the spinsters' pension benefits from the National Health and Pensions Funds are not equitable when considered against those enjoyed by male contributors or female contributors who subsequently marry, and asks that this disparity be removed by the granting of a pension to spinsters at an earlier age.
2. The spinster has looked on and seen young and able-bodied widows pensioned by the Act of 1925, some even in their early twenties and childless; also middle-aged widows receiving pension at 55 years by right of the Act of 1929, although in many cases no contributions have been paid in respect of her (these widows are known as pre-Act widows). Altogether over 700,000 widows have been granted pensions under these two Acts. The spinster must go on in her unpensioned state until the age of 65 years.
3. The man's weekly contribution to the National Health and Pensions Funds is 1s. 8d. (payment divided between self and employer); of this amount 9d. is for health benefits, and 11d. for pensions.
4. The woman's contribution is 1s. 2d. (payment divided between self and employer), 8½d. for health benefits and 5½d. for pension.
5. The man's contribution of 11d. qualifies him for pension at the age of 65 years, also his wife on her achieving that age. In the event of his death his widow is entitled, subject to statutory conditions, to a widow's pension (10s.), also his children for maintenance until school-leaving age, whilst the spinster's contribution of 5½d. entitles only herself to old age pension at 65. If she dies before 65 years, nobody belonging to her will receive any benefits by reason of her payments, although she may have contributed any number of years. Further, if she drops out of insurance before 65 she loses her pension rights and her only recourse is the poor law.
6. The number of spinsters covered by National Health Insurance between the ages of 55 and 65 years is approximately 175,000, compared with approximately four million between 16 and 65. This indicates the comparatively small number of spinsters remaining in insurable employment over 55.
7. There are approximately 80,000 spinsters receiving pensions at 65 years of age—1/17th of the whole pensioned population under National Health and Pensions Insurance (approximately 1,500,000).
8. The annual payment in respect of all spinsters to the Pensions Fund is almost £4,500,000. The annual cost of pensions to 80,000 spinsters will be roughly £2,000,000. Therefore it is clear that a considerable proportion of the spinsters' contributions goes to some other source.
9. Last year (1935), before the contributions were increased by 1d., the Government Actuary stated that the 4½d. then paid in respect of the unmarried woman was more than necessary to cover any old age pension she may acquire in her own right, but that she should be willing to contribute

towards benefits which she may acquire if she marries an insured man. Thus, under the present rates of 5½d. she is called on to contribute still more to this purpose. This may be a good bargain for the married man and his wife, but it is obviously unfair to the spinster.

"Under the present scheme a woman might contribute for only a short time before getting married. Her surplus would go towards the widows' fund, which she might receive later.

A woman who worked a little longer would put a little more into the fund, but the spinster who paid the largest contribution never had a chance of anything in return."

(Comment of a Barrister on one of our platforms.)

10. However satisfactory the arrangement may be to those in their earlier years, it is certainly not so to the ageing spinster, who is naturally becoming anxious regarding her own later years; and her claim that her extra payments should go towards providing an earlier pension for herself is not only reasonable but just.

11. It is not that we wish widows now in receipt of pensions to be deprived of such, but surely, if more payments are needed in order to cover these benefits, it should not be the spinsters' payments which are taken to augment the Fund, rather should it be an increased payment by the married man or the State, or both.

12. It is interesting to know that the cost of pensions from 65 to 70 years covering men, their wives, and spinsters, in an average year, is approximately £18,500,000, and the cost of contributory widows' and orphans' pensions £14,000,000, non-contributory widows (pre-Act) £9,000,000, making total grants of £42,000,000. *As against these figures, the spinsters' share of £2,000,000 seems exceedingly small.*

13. The number of widows of contributors in receipt of pension in an average year is 418,000, the pre-Act widows numbering 302,000. Of these, over 300,000 are engaged in industry; thus the spinster has also the added hardship of the competition of these pensioned widows in the labour market.

14. The Act of 1925 made the spinster pensionable at 65 years, the same as the man. Is this fair? We hold that women generally have not the same chance of keeping their employment until that age, not being physically equal to men, and the fact that has to be stressed is that thousands of women have been unable to remain in insurable employment, thereby losing all claim to pension rights long before they reach the age of 65. This in no small degree accounts for the smallness of the number (80,000) achieving pension age.

15. Many, having lost contact with industry, struggle to keep up contributions out of slender means; thus depriving themselves of necessities in order that they may be eligible for pension rights at 65 years.

16. This Association also asks, "Is it likely that those who do win through to pension age will live very long to enjoy their pensioned state after their strenuous struggle?"

17. Even on the Health side of the National scheme the single woman is unfairly dealt with. The Fund in many Approved Societies is split between men and women: Thus the greater sickness charges of married women must be borne in no small degree by spinsters. Should not this division be between the married and the single—not between men and women? Although women draw more heavily from the medical side than men, it is the married women who are the heavier charge, maternity, and the incidence of the sickness appertaining to the same, being partly the cause.

[The pensions scheme is balanced actuarially for the next 20 odd years on an assumed unemployment figure of 14½ per cent. The figure is below that already (1936).]

18. Also, the spinster does not avail herself of the benefits to which contributions entitle her, as does the average married woman, owing to the fact that her financial circumstances will not allow her to sacrifice wages for sick pay which is obviously too small to cover her domestic commitments. Again, in innumerable cases she has dependants in the form of aged parents. If she is ageing, she dare not stay away from her work for fear of losing it. The incidence of an ailment is often the cause of a woman's chronic unemployment.

19. The operation of these factors makes the spinster comparatively light on the medical side as against the married woman contributor—yet *part of her payments must go to cover the latter's heavier charges*. Hundreds of spinsters in their fifties write saying that they have contributed since the inception of the Health Act of 1911, drawing scarcely any benefits during these years, and fear that their chances of reaching the pension age of 65 are very slender.

An Approved Society with over 700 women members in Manchester found in 1935 that 29 per cent. of their members were married and that their benefit costs were as follows, in pence per member per week:—

				Married Women.	Spinsters and Widows.
				d.	d.
Sickness Benefit	...	...	...	6.41	2.91
Disablement	...	...	...	4.47	3.01
Maternity	...	...	...	1.46	.02
Total	...	...	...	12.34	5.94

It will be seen that the costs of the married women's benefits are a little over 1s. as against 8½d. (Health contribution) whilst the spinsters' benefits are a little under 6d. as against the 8½d. (Health contribution).

Also, another Society's records show that, although 60 fewer married women were benefitting, yet £60 more was paid out in benefits in respect of them.

20. This Association suggests that, if more contributions are required from the spinster to achieve her pension at 55 years, it would be reasonable that less were paid in respect of Health benefits by her in order that she may pay more for pension rights.

21. The cost of pensioning contributing spinsters at 55 years (approximately 175,000) is estimated by the Chancellor of the Exchequer at £4,500,000. If this amount is added to the sum we estimate is now being paid in pensions to spinsters at 65 years (£2,000,000), the total £6,500,000 is light compared to that paid to widows and orphans (contributory and non-contributory), approximately £23,000,000.

22. The fear of the Chancellor that the cost will tend to rise in ensuing years may be relieved by the fact that the cost of non-contributing widows' pensions, which is now almost £9,000,000 a year, will diminish, and soon be a thing of the past: also War pensions will progressively decline and ease the burden for future years.

23. The claim for the pension at 55 for the spinster contributor is also justified by reason of the newly-acquired fact that 55½ is the average pension age of the above-mentioned 700,000 widows (contributory and non-contributory).

24. "*Equity with the Widow*" is all that this Association asks in Pension Rights for the Spinster.

25. With reference to the spinster who is not in National Health Insurance, we strongly desire that she be included in a National Scheme, there being thousands of unmarried women who have led domestic lives shouldering duties forced upon them by circumstances, who are left stranded in their later years, with no promises made for their future, unwanted in a labour market which has hardly room for the young and vigorous; their only aid being Public Assistance and Old Age Pensions at 70.

26. Many women in early middle life would gladly contribute to such a scheme, thus forming the nucleus of a fund for this purpose, in order to be assured of pension rights at an earlier age. The initial loss to the Treasury through such a scheme would in no small measure be compensated by the reduced payments from Public Assistance bodies to many of these highly deserving women.

27. *We have tried to put the spinsters' case in as matter-of-fact a way as possible, as it is your unbiased consideration we desire. The urgent need of the reform we are advocating is very great and pressing. Thousands of spinsters are looking to this Association's efforts with feverish interest, the success of which is of such vital importance to their present and future welfare. The struggle to keep head above water is proving almost too much for thousands of this class of eminently respectable women. We confidently rely upon Parliament redressing our grievance.*

Should the legislation we desire be effected, one of its greatest results will be to obviate hardships in the future to thousands of spinsters whose position to-day is seemingly secure.

28. Finally, we would like to draw attention to the fact that at this particular period there are more single women than at any other period of the past, largely owing to the casualties in the Great War of 1914-18. The State made financial provision for bereaved mothers and war widows—now is the time for the State to take into consideration the woman who but for the war may not have been a spinster.

F. W.

APPENDIX B.

EXTRACT FROM

REPORT BY THE GOVERNMENT ACTUARY ON PENSIONS FOR UNMARRIED WOMEN AND MATTERS INCIDENTAL THERETO.*

C. T. Le Quesne, Esq., K.C., Chairman,

Committee on Pensions for Unmarried Women.

Sir,

In compliance with your request, I submit the following Report dealing with:—

- (i) the financial arrangements of the Contributory Pensions Acts, with special reference to their application to unmarried women;
- (ii) the cost of reducing the qualifying age for contributory old age pensions in the case of unmarried women;
- (iii) certain points involving actuarial or statistical considerations which have been raised in the evidence given before the Committee in the first four days' hearings;
- (iv) some remarks on the disability experience of unmarried women; and
- (v) the effect of the Great War on the number of women who are unmarried.

* The full report appears in Minutes of Evidence, Fifth Day, pp. 164-73.

PART I.

FINANCIAL ARRANGEMENTS OF THE CONTRIBUTORY PENSIONS ACTS IN THEIR APPLICATION TO UNMARRIED WOMEN.

General Principles.

1. The general principles on which the finances of the Pensions scheme were planned have been detailed in the Memorandum by the Treasury submitted to the Committee and printed on pages 2-5 of the Minutes of Evidence of the First Day's bearing; I need not, therefore, recapitulate them in this Report. It appears desirable, however, to draw attention to one fundamental point which is often overlooked, viz., that the contributions to be paid by insured persons were determined on the principle that, broadly, they should be appropriate on an actuarial basis in the case of entrants to insurance at the age of 16.* From this it follows that the income from such contributions would suffice to meet the cost of benefits, in respect of a particular group of entrants, only if it were accumulated at compound interest and with benefit of survivorship during the whole insurance lifetime of those concerned. Accordingly, no inferences can be drawn as to the equity of treatment of a particular group of entrants (and still less of a particular class thereof) from a comparison of receipts and expenditure in the same year; these bear no relation to each other, since the contributions are being paid by one generation (and would, in due course, with accumulations, suffice to provide the benefits of that generation) whilst the benefits are being drawn by the preceding generation. This point is of particular weight at the present time, when the aged population is increasing rapidly whilst that at working ages is nearly stationary, particularly in the case of women, and is expected to diminish in the not distant future.

2. In the operation of the scheme in practice, the bulk of the income from contributions is not accumulated at interest but is used to pay current benefits. This procedure is linked to the particular method chosen by the Government for meeting its liabilities under the scheme. The annual grant from the Exchequer, which over a period of years makes good the difference between expenditure on benefits and administration and income from contributions and interest, is really composite in character. Inter alia, it includes a subsidy in lieu of the interest which the funds would have earned had the contribution income been accumulated until the related liabilities matured instead of being utilised for the payment of current pensions. This subsidy will be required not only during the lifetime of the initial entrants who were brought into the scheme in 1926 at the flat rate of contributions appropriate to entrants at age 16, but permanently, since the contributions of subsequent entrants are absorbed in the manner indicated and not accumulated as a reserve for the related benefits. For these reasons it is impossible to allocate the Exchequer payment in a particular year between the various classes in insured persons and beneficiaries.

The Women's Contribution for Age Pension.

3. The contribution at present payable for contributory pensions by and in respect of employed women is 5½d. a week (fixed at one-half of the corresponding rate for men), of which 3d. is payable by the worker and 2½d. by the employer. The rate of contribution was originally fixed at 4½d. a week by the Act of 1925,† and in accordance with that Act the first of three decennial increases of 1d. in the contribution was added as from 1st January, 1936. As was stated in the Government Actuary's Report on the

* Pensions contributions still begin at age 16, though, by recent legislation, contributions for medical benefit only are now payable in respect of employed juveniles under that age.

† 15 & 16 Geo. 5. ch. 70.

financial provisions of the Bill of 1925 (Cmd. 2406 of 1925), the decennial increases of contribution were imposed having regard to the rising cost of the benefits (including pensions after age 70), and their effect is that entrants into insurance at the normal entry ages (and their employers) will eventually pay for a substantial part of the cost of the pensions after age 70 to which they become entitled as of right.

4. The statutory contributions for men and women were determined in 1925 in the light of such information as was then available. The basis was necessarily experimental in certain respects, and the changes which have occurred since 1925—e.g., improvement in the vitality of the population, reduction in the average size of family, variations in the extent of unemployment, reduction in the long-term rate of interest—have naturally affected the financial estimates relating to the scheme. For the purpose of the present Report the various factors have been assessed on the basis of (i) the experience of the scheme up to 1933 and (ii) the other elements concerned, as employed for the Government Actuary's first decennial Report issued in 1935 (H.C. 82 of 1935). The net effect of the changes here referred to was to increase the contribution necessary to meet the estimated cost of old age pensions whilst reducing that for widows' and orphans' pensions; on balance the result was a small increase in the combined contribution.

5. On the basis of rates of mortality and interest, and with allowances for unemployment and sickness, as in the Report of 1935, the weekly contribution required to be paid by a woman from the age of 16 to 65 to provide for an old age pension of 10s. a week between ages 65 and 70 is estimated to be 3.9d. a week, including a small allowance for the expenses of administration. This, it may reasonably be said, is the minimum contribution which should be paid by an insured woman for contributory pensions, since every such woman—if she survives—either (a) becomes entitled to pension at 65 by virtue of her insurance as an employed contributor, or (b) can maintain her insurance for that purpose as a voluntary contributor if she ceases to be insurably employed, or (c) becomes entitled to pension as a wife or widow if she marries an insured man. Thus by payment of a contribution of 3.9d. a week the insured woman would, on average, meet the cost of her own pension between 65 and 70 if she began paying contributions at age 16.

The Men's Contribution for Age Pensions.

6. The weekly contribution, payable from age 16 onward, required in the case of a man to provide his own age pension from 65 to 70 is 3.5d. This rate is computed on precisely the same principles as the figure of 3.9d. given above, substituting men's mortality and men's rates of loss of contributions due to unemployment and sickness for those appropriate in the case of women. But a further contribution is required from men on account of pensions at age 65 to wives and widows. This must provide, first, for the whole cost of such pensions in respect of those women who marry insured men without having been themselves insured before marriage; secondly, it must make good the loss after marriage of the contribution of 3.9d. a week necessary to secure the age pension in respect of those women who leave insurance on marriage to insured men. Spread over all men's insurances these liabilities require a contribution of 1.5d. a week payable by all insured men from the age of 16 to 65. In this figure due allowance is made for the fact that where the wife is older than her husband her age pension—unless she is herself then an insured person—does not begin until her husband attains the age of 65.

Combining the contributions of 3.5d. required for the men's own pensions (from age 65 to 70) with the additional 1.5d. needed for the related pensions (between the same ages) of their wives (and widows)—after taking into

account such contributions as these women may themselves pay—it will be seen that, out of the basic contribution of 9d. payable by men, 5d. is required for their own old age pensions and those of their wives (and widows), leaving a balance of 4d., the allocation of which is indicated in paragraph 9 below.

Provision for Early Widowhood.

7. In addition to the wife's pension from age 65 to 70, the woman who marries an insured man becomes entitled to widow's and orphans' benefits in the event of her husband's death. Such part of the widow's pension as becomes payable from age 65 or later is included in computing the rates of contribution stated in the two preceding paragraphs. There remains, however, the pension payable from widowhood up to age 65, in cases where the husband dies before the wife has reached that age, together with the cost of children's and orphans' allowances. Since, in respect of most women who enter insurance, there is a liability that they will marry and in that event that their husbands may die before they themselves have reached the age of 65, the view was taken that some part of the cost of this benefit should be borne by insured women themselves. Under the arrangements of the Pensions scheme a small portion of this liability has accordingly been charged to all insured women.

On the experience provided by the working of the scheme, I estimate that the produce of the margin of 0.6d. a week, between the basic contribution of 4½d. payable by women and the contribution of 3.9d. necessary to make provision for the pension (whether age or widow's pension) payable from age 65 to 70, is equivalent at age 16 to about 5 per cent. of the value of the widows' pensions up to age 65 and the benefits of children and orphans. For this purpose I have included in the widows' and orphans' liability the whole of the children's allowances and orphans' pensions and such part of the widows' pensions as becomes payable before the widow attains age 65.

8. I should perhaps add that, if the margin of 0.6d. a week were utilised entirely towards reducing the pension age for insured women, its value (in respect of an entrant at age 16) would suffice to reduce the pension age by about one-half of a year only, i.e., to age 64½. If this were done, the consequential loss of contributions towards widows' pensions would have to be made good by a small increase in the men's rate of contribution or would, otherwise, add to the liability of the Exchequer.

9. The balance of 4d. available in the man's basic contribution of 9d. a week (see paragraph 6) is estimated to be equivalent to about 60 per cent. of the value of the widows' and orphans' benefits specified above.

Comparison of Liabilities met by Basic Contributions, viz., 9d. Men and 4½d. Women.

10. To sum up the foregoing, it may be said that by the payment of the basic contribution of 4½d. a week the insured woman who enters at age 16 pays for a pension at age 65, to which she can become entitled in any event from her own or her husband's insurance, and in addition she bears 5 per cent. of the liability in respect of early widowhood, i.e., widow's pension up to age 65 and children's benefits. Correspondingly, the basic contribution of 9d. payable by the insured man suffices, in the case of an entrant at age 16, to provide not only the man's own pension between 65 and 70 and the balance of his wife's or widow's pension from 65 to 70, so far as not provided for by her own contributions in the event of her having been an insured woman, but also for 60 per cent. of the cost of widow's pension up to age 65 and children's benefits.

Thus, whereas the insured woman contributes about 5 per cent. of the the cost of pensions on widowhood (up to 65), the insured man contributes about 60 per cent. of that liability. The remaining 35 per cent. is not

covered by the contributions of either men or women, and thus falls ultimately upon the Exchequer. The need for this subsidy is due to two causes. First, the contributions for pensions, as fixed at the inception of the scheme in 1926, were reduced in consideration of the relief to the Exchequer arising from the consequential changes in the Unemployment Insurance Scheme. Secondly, apart from this adjustment, the basic contributions proved to be not quite adequate to meet the total cost of benefits up to age 70 in respect of entrants at age 16.

Position in respect of entrants after age 16.

11. So far the position has been considered only from the point of view of the woman who entered insurance at age 16; but apart from the fact that a substantial proportion of women first enter insurable employment at a somewhat later age, the present insured population, since it comprises women of all ages—none of whom paid contributions for pensions until 1926—contains a large proportion of women who began to contribute at ages considerably in excess of 16. In their case the contribution which is equivalent in value to the pension between 65 and 70—leaving out of consideration the marginal contribution suggested as a not unreasonable payment towards the risk of early widowhood—is very much greater than 3.9d. a week. This is evident from the following statement relating to entry ages over 16:—

Age at commencement of contributions.	Weekly contribution required for pension of 10s. a week between ages 65 and 70.	Percentage ratio of basic contribution of 4½d. to contribution shown in (2).
(1)	(2) Pence.	(3) Per cent.
20	4.7	96
25	5.9	76
30	7.6	59
35	10.0	45
40	13.5	33
45	19.3	23
50	29.5	15
55	51.4	9

12. It is clear from the foregoing Table that except for entrants under about age 19 there is no margin whatever in the basic contribution for the support of premature widowhood, and that the proportion of women's old age pensions met out of the contribution of 4½d. rapidly decreases with the age of commencement of payment.

Considering the position of insured women now over age 50 who began contributions for pension in 1926, it will be seen that their contributions of 4½d. a week pay for about 33 per cent. of their 65-70 pension if they entered at 40; 23 per cent. if at 45; and 15 per cent. if at 50.

Decennial Increases of Contributions: Women.

13. I turn now to a consideration of the decennial increases of contributions, the first of which—1d. a week in the case of women—became payable as from 1st January, 1936. As already stated, these increases were imposed, in view of the increasing cost of pension benefits, to assist in meeting the liability for pensions after age 70. Eventually the woman contributor (from 1956 onwards) will pay 7½d. a week in place of the

original contribution of 4½d. (or 5½d. at present). The contribution (payable from age 16 to 65) which is equivalent to the full cost of the pension at 70 is 5.0d. a week; the extra 3d. a week is equivalent, therefore, to 60 per cent. of this cost. Thus the woman who enters in 1956 or later at the age of 16 will be paying for 60 per cent. of her pension from age 70 onwards; but as regards the present insured population, the proportion paid for will obviously be very much less. A woman who entered insurance in 1926 at the age of 16 and who pays the three decennial increases of contribution (as and when imposed) will, by this means, have contributed for about 23 per cent. of her pension from age 70.

The following statement gives the contribution required to provide a pension of 10s. a week from age 70 onwards, at various entry ages over 16, and indicates the proportion of such pension met by the decennial increments of 1d. from 1936 to 1946, 2d. for the following ten years, and 3d. thereafter, payable by or in respect of women of the ages (in 1926) stated in the first column of the Table:—

Age at commencement of contributions (in 1926).	Weekly contributions to age 65 required to provide pension of 10s. a week from age 70 to end of life.	Percentage proportion of over-70 pensions paid for by entrants in 1926.
	Pence.	Per cent.
20	6.1	18
25	7.7	13
30	10.0	9
35	13.2	5
40	18.0	3
45	25.7	1½
50	39.5	½
55	69.0	nil

14. As regards insured women now over age 30, the decennial increases—present and future—will evidently provide for only a very small part of their over-70 pensions. In the case of a woman aged 50 in 1936, the proportion met by the contributions is only 3 per cent.; at older ages it rapidly becomes negligible.

Decennial Increases of Contributions: Men.

15. In the case of insured men, the extra 6d.—that is, three decennial increases of 2d.—which will be payable from 1956 onwards would, in the case of entrants at age 16, be more than sufficient to meet the whole cost of their own pensions from age 70. But their purpose is to provide not only for the pension of the man himself but also the benefits of his wife (or widow), and, combining these contributions with those paid by the related insured women themselves, mainly before marriage, I estimate that about 92 per cent. of the total cost of over-70 pensions to insured men and their wives (or widows) will be covered by contributions. This figure compares with the proportion of 60 per cent. of her own pension at 70 paid for by the woman who continues in insurance.

Thus while in the case of insured women it is estimated that 40 per cent. of the cost of pensions from age 70 will fall upon the Exchequer, in the case of insured men and their wives (or widows) taken together about 8 per cent. will have to be met from this source.

It is important to note that these proportions relate to the ultimate position, that is, to persons who will enter in 1936 (or later) at the age of 16. For the bulk of the present insured population the proportion of the over-70 cost which falls on the Exchequer will be substantially greater. Even for young entrants in earlier years the Exchequer subsidy will be much larger, since the decennial increases did not start until 1936, and are being brought into operation by stages. Thus for persons who were 16 at entry in 1926, the decennial contributions will support only 32 per cent. (leaving 68 per cent. to be borne by the State) in the case of men, the corresponding figures for women being 23 and 77 respectively.

Exchequer Contributions.

16. It will be clear from what I have said above that the Exchequer contribution to the scheme may be regarded, in principle, as falling under three heads. In the first place, it makes good the deficiency which would otherwise arise owing to the fact that in the case of both men and women the contribution payable is related to the value of the benefits for an entrant at age 16, whereas a large proportion of the insured population of both sexes began to contribute at an age much older than this and ought, therefore, to have paid much higher rates of contribution if they were to pay the equivalent of the value of their benefits.

Secondly, the Exchequer makes good the shortage of income necessary to meet the value of benefits up to age 70 due to the contributions being, for reasons already stated, inadequate to meet the cost of benefits even for an entrant at age 16; this subsidy has been regarded in the above analysis as available to meet the balance of the cost of widows' and orphans' benefits, for which the resources of the basic contributions did not provide.

Thirdly, the Exchequer is responsible for such part of the pensions from age 70 onwards as is not covered by the value of the decennial increases, as and when they become payable. It should perhaps be pointed out that, as a matter of accounting procedure, the decennial increases of contribution are credited, with the basic pensions contributions, to the Treasury Pensions Account through which the Contributory Pensions scheme is financed. On the other hand, the cost of continuing contributory pensions after age 70 is met, not from the Treasury Pensions Account, but from the annual Parliamentary Vote covering all old age pensions (whether contributory or non-contributory) from age 70 onwards. Thus, in examining the finances of the system for the present purpose, the Treasury Pensions Account cannot be considered alone.

In addition to the foregoing liabilities, which arise in respect of contributors under the Pensions Acts, the Exchequer has undertaken to meet the cost of granting the benefits of the Acts to certain classes of beneficiaries in respect of whom pensions contributions were never paid owing to the date at which the scheme was inaugurated. This liability is taken into account in fixing the Exchequer payments under the scheme.

17. The fact that the Exchequer's contribution is paid on the basis of an assessment to make good the difference between expenditure and income over a term of years, rather than by a contribution actuarially computed on a reserve basis, does not affect the principles involved, nor does it affect the fact that, to compare contributions and benefits of the various classes insured under the Pensions scheme, it is necessary to compare them on an actuarial basis and not by contrasting the expenditure on benefits for a particular class in a particular year with the contribution income in the same year.

Conclusions to be drawn from the foregoing.

18. It would appear from the foregoing review that the insured unmarried woman does not pay an excessive contribution for the benefits to which she becomes entitled, unless it be held that she should make no contribution at all towards the liability which arises in respect of early widowhood if she should marry an insured man. Moreover, it appears that, in regard to benefits after age 70, the proportion of the pension which the unmarried woman pays for from her contributions is noticeably less than that for which the insured man pays. Thus if it be conceded that unmarried insured women should make a contribution in respect of the risk of marriage and widowhood, then the position appears to be that the relative rates of contribution of men and women are reasonably within the limits imposed by practical considerations.

*References to Government Actuary's Decennial Report of 1935.**

19. I have endeavoured in the foregoing paragraphs to analyse the benefits and contributions of the Pensions scheme so as to indicate what proportions of the costs of the benefits are met from the statutory contributions payable by men and women respectively. It is desirable, before concluding this part of my Report, to discuss the relationship of certain aspects of this analysis of the rates of contribution to two statements in the Government Actuary's Decennial Report of 1935 which have received a considerable amount of attention.

20. In the first place, in paragraphs 40 and 42 of that Report it was stated that the contributions payable by insured men and women, taking into account the three decennial increases, would be sufficient (if accumulated at compound interest) to meet not only the cost of benefits up to age 70 but also a proportion of the pensions payable from age 70 onwards, namely, 5 per cent. of such pensions in the case of entrants at age 16 in 1926, and 62 per cent. of the pensions in the case of entrants at age 16 in 1956 or later. In the present Report the analysis of the contributions has been carried further, and in paragraphs 5 to 10 it is shown that, as regards benefits up to age 70, the basic contributions of 9d. (men) and 4½d. (women) are not quite sufficient to meet the cost of the benefits up to age 70, the Exchequer having to assume responsibility for about 35 per cent. of the cost of widows' pensions up to age 65 and children's and orphans' allowances, in the case of entrants at the age of 16. Taking the decennial increases of contribution alone and considering separately insured men and insured women, it is shown in paragraphs 13 to 15 that these contributions (without any deduction on account of benefits up to age 70) are sufficient, in the case of an entrant at age 16 in 1926, to meet 32 per cent. of the cost of over-70 pensions in respect of men and their wives (and widows) and 23 per cent. in respect of insured women themselves, and that ultimately, in the case of entrants at age 16 in 1956 or later, the contributions make provision for 92 per cent. of the benefits in the case of men and their wives (and widows) and 60 per cent. for insured women. If in this analysis men's and women's insurances are amalgamated, the proportions of the over-70 benefits covered by contributions, after providing for the whole cost of the benefits up to age 70, become 5 per cent. (for 1926 entrants) and 62 per cent. (ultimately) respectively, as stated in the Report of 1935.

21. The second reference is to the statement in paragraph 39 of that Report to the effect that, if the whole cost of wives' and widows' pensions (including children's allowances) had been thrown on to men's contributions, the rate of contribution for men would have been heavy, whilst that

* H. C. 82 of 1935.

of women would have been reduced to "an almost nominal figure". This remark has sometimes been interpreted—naturally perhaps, but incorrectly—as meaning that the contribution required to be paid by a woman to purchase her 65-70 pension was negligible. This is a complete misconception of the Government Actuary's meaning. As stated above, the contribution payable by a woman from age 16 to 65 (allowing for non-payment during sickness and unemployment) necessary to meet the cost of a pension of 10s. a week from 65 to 70 is practically 4d. a week, and this represents the value of the pension to the individual woman. This contribution could only be reduced to "a nominal figure"—in fact, to about 1½d. a week—if the accumulated contributions of those women who lapse from insurance on marriage were used to assist in meeting the cost of pensions of those who remained in insurance to age 65. In that event there would, of course, have to be a corresponding increase in the men's rate of contribution to provide the whole cost of the benefits which women who left insurance on marriage would obtain as the wives (or widows) of insured men.

To put the matter in another way, the contribution of 4d. a week is obtained by providing for the cost of women's age pensions "on their own insurance" out of the contributions of those women only who will be able to qualify for such pensions if they survive, whereas the "nominal" contribution spreads the cost of these particular pensions over the contributions of all women, including those who marry and leave insurance and who will subsequently draw pensions as wives or widows. But the scheme could not be considered equitable to men contributors if the pre-marriage contributions of their wives were used, not in assisting to meet the cost of 'the wives' pensions which—apart from such help—would fall wholly on the men's contributions, but in subsidising the pensions of the women who remain unmarried.

(Sgd.) G. S. W. EPPS.

APPENDIX C.

CORRESPONDENCE WITH THE GOVERNMENT ACTUARY REGARDING ALTERNATIVE METHODS OF ALLOCATION OF THE EXCHEQUER SUBSIDY IN RESPECT OF CONTRIBUTORY PENSIONS (UNDER AGE 70).

6th January, 1939.

DEAR MR. EPPS,

It appears from para. 10 of your report* that the Exchequer provides a subsidy towards the cost of widows' pensions to age 65 and orphans' benefits, viz., 35 per cent. of the cost of such benefits. The Committee have instructed me to enquire whether you can let us know the answer to this question, viz., supposing that the sum represented by this 35 per cent. were spread over all the benefits of men and women, instead of being confined to the cost of widows' pensions to age 65 and orphans' benefits, what

* Appendix B.

difference would it make to the 65-70 pensions for spinsters, as regards contribution or age for commencement of pensions? Further, we should be glad to know what the effect would be on the 65-70 pensions of spinsters, as regards contributions and age for commencement, if the 65-70 pensions of spinsters were subsidized to the same extent as the cost of widows' pensions to age 65 and orphans' benefits is now subsidized by the Exchequer, viz., 35 per cent, and what the cost of such a subsidy would be.

Yours sincerely,

(Sgd.) C. T. LE QUESNE.

The Government Actuary.

Government Actuary's Department,

11th January, 1939.

C. T. Le Quesne, Esq., K.C.,

Chairman,

Committee on Pensions for Unmarried Women.

DEAR MR. LE QUESNE,

I have now had an opportunity of considering your letter of 6th January.

1. In paragraphs 6 to 10 of my report,* I analysed the benefits at ages under 70 provided under the scheme into:—

(a) those which, in my opinion, could properly be charged to men, viz., their own and their wives' or widows' age 65-70 pensions;

(b) those properly chargeable to women, viz., their own age 65-70 pensions; and

(c) the remaining benefits, viz., widows' pensions to age 65 and orphans' pensions, which might be termed "common benefits", the cost of which it seemed proper should be borne to some extent by women as well as men.

In the analysis I showed that the contributions of men, together with the related contributions of their wives, were sufficient to provide for the whole of the benefits at (a) and for 60 per cent. of the benefits at (c). Similarly, the contributions of women who would obtain age pensions on their own insurance were sufficient to provide for the whole of those benefits and for 5 per cent. of the benefits at (c). It followed that the remaining 35 per cent. of the "common benefits" was provided by the Exchequer.

2. This sub-division of the benefits and allocation of the contributions and Exchequer subvention was to some extent arbitrary. It would have been equally possible to apportion the Exchequer subvention rateably between all the benefits, and having done this, to ascertain what proportion of the "common benefits" was provided by the respective balances of the men's and women's contributions; this clearly would have had the effect of increasing these balances by the amount of the Exchequer subvention allocated to the benefits at (a) and (b) and thus would have increased the proportions of the "common benefits" provided therefrom. The additional proportions of the "common benefits" provided in this increase would, of course, have made good the difference between the proportion borne by the Exchequer assuming the whole subvention to be applied to "common benefits", and the rateable proportion.

3. Your first question is, I gather, directed to ascertaining the effect of this alternative approach, and the answer is that the Exchequer subvention on the rateable basis is equivalent to about 17 per cent. of all the benefits

* Appendix B.

under age 70. If the Exchequer were assumed to pay 17 per cent. of each of the benefits, including the "common benefits," the balance of the men's (and the related women's) contributions would suffice to provide 73 per cent. of the "common benefits," whilst the balance in the women's own contributions would provide the remaining 10 per cent.

4. Further, if it were assumed that the Exchequer provided 17 per cent. of the cost of the 65-70 pensions of spinsters and of the related expenses of administration, the contribution required to provide the remaining 83 per cent. would be almost exactly 3½d., as compared with 3·9d. if they provided the whole cost of their own benefits.

5. Alternatively, if the whole of the basic contribution of 4½d. payable from age 16 by spinsters who do not marry were utilized for their own benefit and no part were allocated to "common benefits," and if the State paid 17 per cent. of the cost of their benefits, the contribution would be sufficient to provide pensions commencing at about age 63½—i.e., the pension age could be reduced by about 1½ years. It should be pointed out, however, that, if this were done, the total charge falling on the Exchequer, as compared with the existing position, would be increased for two reasons: first, the Exchequer would have to meet the cost of the new pensions payable between ages 63½ and 65 and, secondly, the loss of contributions at these ages would have to be made good.

6. It may be mentioned that the additional Exchequer charge would be equivalent to the value of the balance in the spinsters' contribution (which in my analysis was deemed to be applied towards the cost of the "common benefits") together with a grant of 17 per cent. of the cost of the benefits provided for spinsters under the new arrangement by that balance.

7. As regards your second question, if the Exchequer were to provide 35 per cent. of the cost of spinsters' age 65-70 pensions and of the related cost of administration, the contribution required to provide the remaining 65 per cent. would be about 2½d. per week in place of the existing 3·9d.

8. If, as an alternative, their basic contribution were maintained at 4½d., the whole of this contribution being used for their benefit, and if the Exchequer paid a subsidy of 35 per cent. of the cost of their pensions, the age could be reduced by nearly three years, i.e., to about age 62.

9. On such information as is at present available I estimate that the additional Exchequer charge would begin at about £1,250,000 and would rise to about £1,500,000 in 10 years' time, if the reduction in the pension age were limited to spinsters.

10. As I mentioned in my report, the claims of other classes would have to be considered if an alteration of this kind were made in the scheme.

Yours very truly,

(Sgd.) G. S. W. Errs.